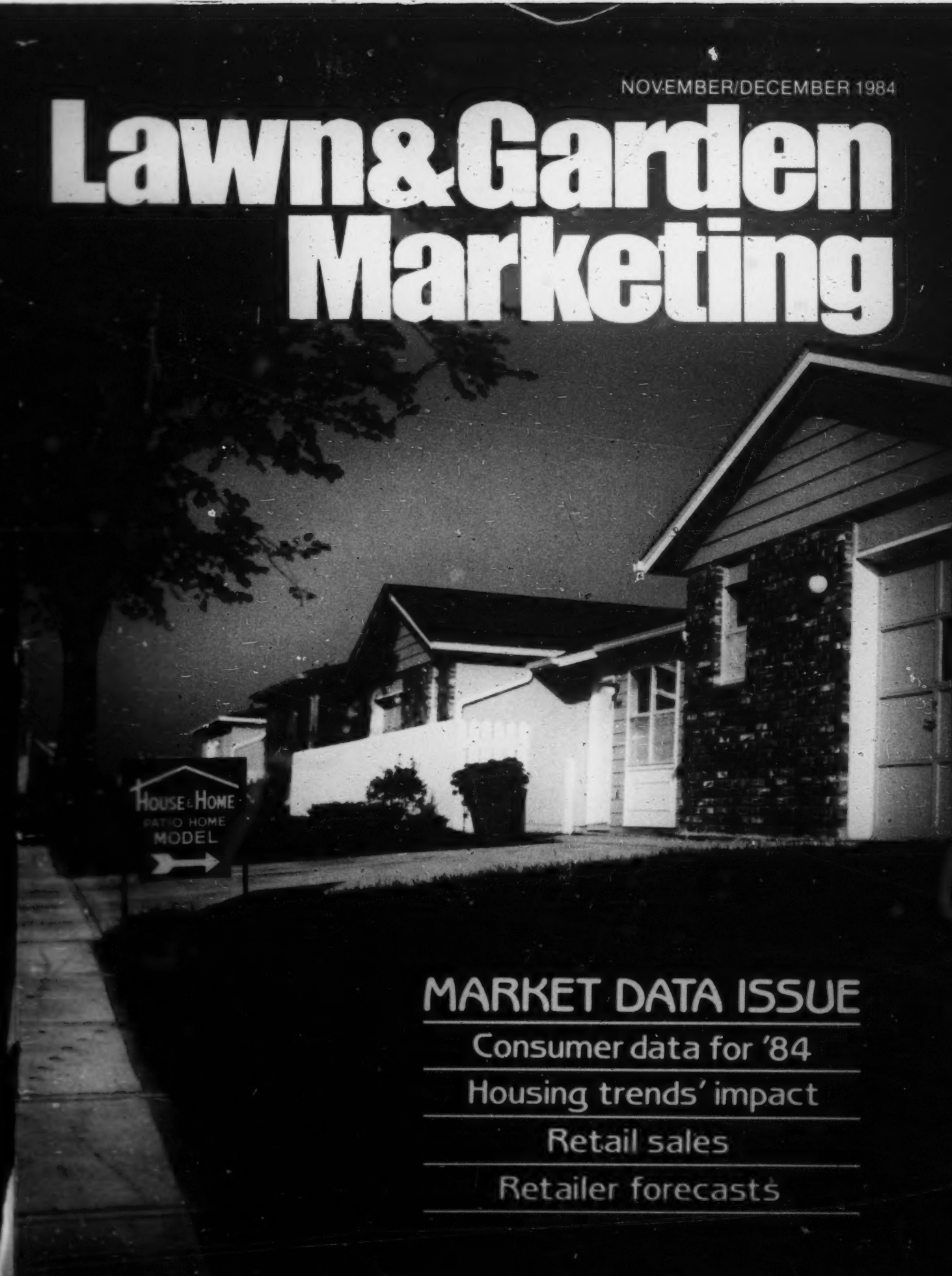
NOVEMBER/DECEMBER 1984

Lawn & Garden Marketing



MARKET DATA ISSUE

Consumer data for '84

Housing trends' impact

Retail sales

Retailer forecasts

NOV/DEC 1984 VOL. 23, No. 10 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.

4 Cover Story: Flower and container gardening activities are playing an increasingly important role in the marketplace. Data on these and other activities are reported.

49 Knowing the Market: Knowing the consumer was a key theme for the Executive Forum in Chicago. Published market research reports and strategies were discussed.

4 New Gallup data. Market data issue leads off with latest Gallup results showing consumers bought 21 percent more in 1984. Other market data articles that appear are:

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Retailers report on purchases, AAN survey results, with related **GCA members give delivery-service data,** page 44.

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Coming in January: Major distributor provides computer hardware, software to dealer network • What warehouse and superstore retailers offer the consumer, how lawn and garden fits into their plans • Relandscaping, a new look at valuable properties that have outgrown landscaping • ABCs of Mulches.

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New Gallup Data

Consumers buy 21 percent more in '84

The annual study by Gardens for All and Gallup shows six of seven product categories increased substantially.

Dollar volume that consumers spent for lawn and garden products jumped 21 percent this year from 1983. Leading all other categories in percent of increase and in dollar volume was the category described as "Landscaping, Tree Care, Shrub Care and Ornamentals." With an increase of 28 percent, this category even surpassed the amount spent on lawn care products, which reached $4.4 billion.

Gallup survey questions were phrased to the public to reflect retail sales volume, not expenditures for services by lawn care operators or other contract service operators.

The sales curve did not show any increase only in vegetable gardening. Preliminary data, according to Bruce Butterfield, research director for Gardens for All, indicated the '84 dollar volume for this category to be about $1.8 billion, not much change from '83.

In the Midwest, the incidence of gardening declined and vegetable activities were lower than normal, according to GFA. Studies for **LGM's** Product Movement Report, published in August, showed products associated with vegetable gardening were also down at the retail level. A prolonged cool, wet spring delayed and in some cases eliminated home vegetable gardening in the Midwest where this activity is usually strongest.

In 1982, 58 percent of the households produced vegetables, and in '83, 53 percent produced vegetables in the Midwest, GFA data show. Vegetable gardening "held up" in the East and the South, but it declined slightly in the West, said Butterfield.

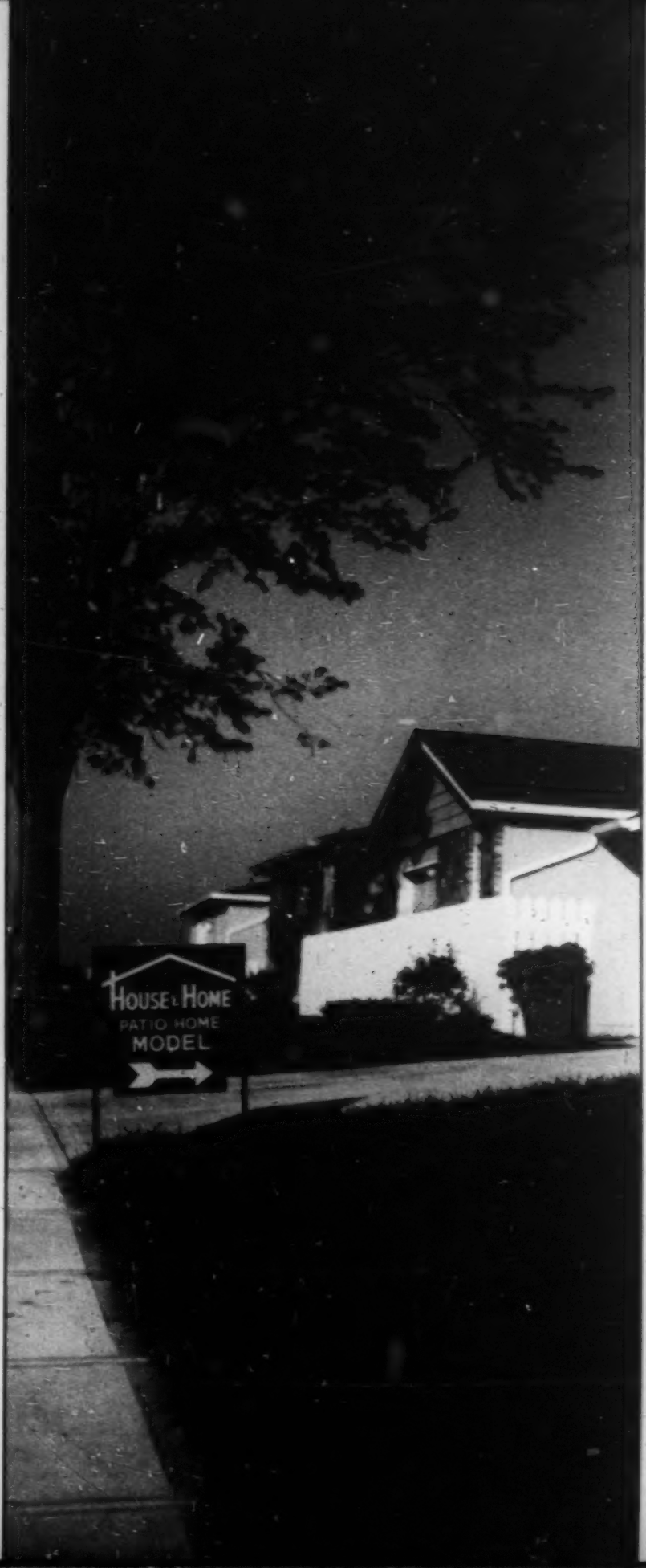
GFA's Scott analyzes data

Gardens for All's new president, Charles Scott, said of the recent data, "Gardening has clearly become part of the values of American life and is reflected in the numbers

Retail sales: 1983 and 1984

Activity:	Retail Sales 1983 ($ Billions)	Retail Sales 1984 ($ Billions)	'83-'84 % Change
Lawn Care	3.6	4.4	+22
Landscaping, Tree Care Shrub Care, Ornamentals	3.5	4.5	+28
Flower Gardening	1.8	2.1	+17
Vegetable Gardening	1.8	1.8* (est.)	0
Indoor Houseplants	.7	.9	+28
Insect Controls	.7	1	+42
Fruit Trees/Berries	.5	.6	+21
TOTAL	$12.6	$15.3	+21

Source: Gardens for All/Gallup



More flowers for more homes, even where space is limited, is the trend. Container gardening is on the increase.

of households involved in some form of the activity year round."

Scott, who recently joined Gardens for All from his former administrative posts with The National Audubon Society and The Nature Conservancy said, "We are talking about a significant portion of the American population whose lives are enriched through a garden in the backyard—over 90 million Americans are actively benefiting from home or community vegetable and fruit gardening."

Scott continued, "Food gardening took a slight dip in 1984 showing that those who did garden as a fad or only for economic reasons seemed to have dropped out. Those 34 million American households (getting) into food gardening are doing so for fresh vegetables, better tasting quality food, and better nutrition and health," he said. "Gardening can be easy, it's healthy, it's tangible, and it's enjoyable—these are some of the reasons why many American households have established gardening as part of our way of life."

Trends emerge

Since the annual study began, the following trends have emerged:

- the incidence of vegetable gardening by Americans has averaged 44 percent annually;
- the Midwest has consistently ranked as the nation's No. 1 gardening region;
- the popularity of gardening has been greater in rural areas than in small towns, suburbs or cities;
- the tomato ranks as the most popular vegetable grown by home gardeners;
- and food gardening has had a greater following among married households and people 50 years of age or older.

The annual survey has seen trends change in reasons why people gar-

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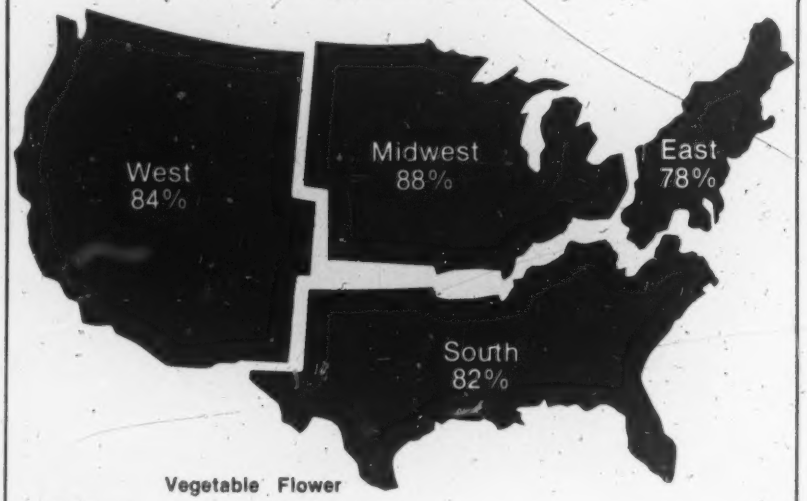
Percentage of all households in lawn or garden activity



	Vegetable	Flower
Midwest	31%	29%
South	26%	26%
East	26%	25%
West	17%	20%

Source: Gardens for All/Gallup

Trendline of gardening activities

(% of all U.S. households involved)

Activity:	1981 %	1982 %	1983 %	1984 %	1983-1984 % Point Change
Lawn Care	65	63	63	63	0
Flower Gardening	47	50	47	47	0
Indoor Houseplants	51	48	43	46	+3
Vegetable Gardening	47	46	42	40	−2
Shrub Care	43	42	35	36	+1
Insect Control	NA	39	32	38	+6
Pruning	NA	34	29	32	+3
Tree Care	NA	30	25	26	+1
Landscaping	NA	26	23	25	+2
Fruit Trees	19	22	20	18	−2
Raising Transplants	NA	18	15	17	+2
Growing Berries	11	13	12	11	−1
Edible Landscaping	8	17	11	11	0
Ornamental Gardening	7	10	7	9	+2
Nut Trees	5	7	5	4	−1

Note: Totals add to more than 100% due to multiple responses.
Source: Gardens for All/Gallup

den. In '84, the No. 1 reason American households grew food was for fresh vegetables and better tasting, more nutritious food.

Overall, vegetable gardening in America's backyards and community gardens was down 1 million households from '83 to 34 million (or 40 percent of households). The number of households growing a small amount of vegetables and fruits in containers, border plantings, on roof tops and patios increased to 10 million in '84.

83 percent of households involved

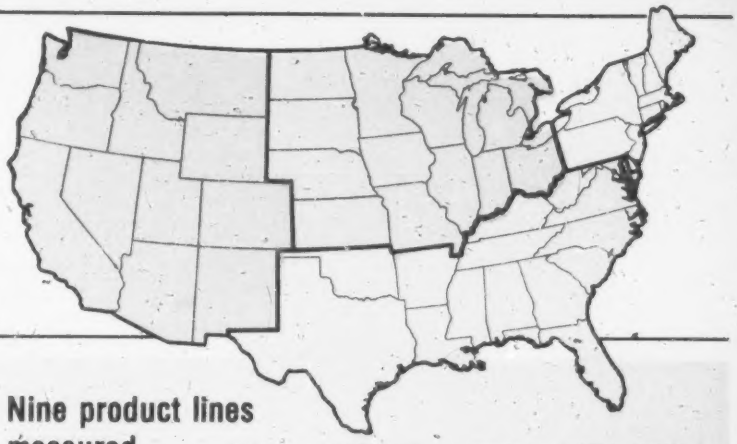
The data showed that eight out of 10 (or 83 percent of American households) were involved in at least one form of indoor or outdoor gardening.

Gardening, in its broadest sense, ranked as the No. 1 outdoor leisure activity of U.S. households again this year, more popular than golf, jogging, biking, tennis and swimming. The most popular gardening activity was flower gardening with 40 million (or 47 percent) involved.

A projection based on data from the survey showed consumer expenditures for insect control at $1 billion this year. Butterfield said that this amount could include electronic as well as chemical controls of insects. The percentage of households involved in insect control activities went from 39 percent in '82 to 32 percent in '83 and back up to 38 percent this year.

Gardens for All has sponsored and the Gallup Organization has conducted the national gardening survey annually since 1971. Gardens for All, The National Association for Gardening, is a 250,000 member-supported, non-profit organization, based in Burlington, VT. The national survey is conducted in the months of July and August by The Gallup Organization of Princeton, NJ. □

Product Movement Report summer, 1984



■Retail sales in nine product lines increased during summer 1984 compared to summer 1983 levels, according to a survey conducted by **Lawn & Garden Marketing.**

Replacement parts continue to be strong sellers with 69.2 percent of the responding retailers reporting increased sales. Almost 45 percent of the retailers indicated increases of at least 15 percent.

Walk-behind mowers also appeared to sell well during the 1984 summer season. Nationally, 38.7 percent of the retailers reported increased sales. Only in the North Central region did more retailers report decreased sales than increased sales. In that region 23.8 percent reported decreased sales while 20.6 percent showed increases.

As in the other product lines, chemicals, herbicides and insecticides all had more retailers reporting increases than decreases. The most dramatic increase in chemicals was in the South where 100 percent of the responding retailers reported sales were up or about the same. The West had the worst report with only 22.2 percent reporting increases and the same percentage reporting decreases. The overall results were almost unchanged from summer 1983.

Most regions showed slightly higher percentages of retailers with higher sales of herbicides, but the percentages nearly doubled in the North Central and West. The percentage reporting decreased sales also dropped from 21.0 percent in the Northeast to 4.6 percent. Overall, the percentage reporting lower herbicide sales dropped from 13.9 percent to 8.2 percent.

Insecticides also had more retailers reporting increases. The percentages were up from 40.4 percent reporting increases in 1983 to 49.2 percent in 1984. The North Central region did not follow the trend, dropping from 41.9 percent with increases to 40 percent this season. All regions except the South had a smaller percentage reporting decreases.

The Northeast reversed the nationwide sales trends for watering equipment. Nationally, 31.8 percent reported increases and 16.9 percent decreases; the Northeast had 16.1 percent with increases and 32.3 percent with decreases.

The North Central region reported only small sales gains in 1983. This trend continued during the spring sales season. The North Central region tended to be slightly below the national figures. The same appears to be true for the summer season. Reported increases were slightly below the percentages for the nation except for walk-behind mowers for which sales increases were much lower and reported decreases outweighed increases. □

Nine product lines measured

		TOTAL %	NORTHEAST %	N. CENTRAL %	SOUTH %	WEST %
Walk-behind mowers	Up	38.7	52.0	20.6	47.4	58.3
	Same	36.7	32.0	42.9	39.5	20.9
	Down	15.3	8.0	23.8	5.2	16.6
Riding mowers/ lawn tractors	Up	39.4	43.8	37.3	45.5	33.3
	Same	21.2	18.6	23.5	18.2	20.0
	Down	26.9	12.6	29.4	31.8	26.7
Spin trimmers	Up	35.3	36.0	31.8	39.5	37.5
	Same	34.0	36.0	31.8	36.7	33.3
	Down	18.0	8.0	25.4	10.6	20.9
Replacement parts	Up	69.2	75.0	64.7	59.1	93.3
	Same	25.0	18.7	29.4	31.8	6.7
	Down	3.9	6.3	5.9	.....	.....
Chemicals	Up	34.8	33.3	25.0	50.0	22.2
	Same	50.0	33.3	58.3	50.0	55.6
	Down	10.9	11.1	16.7	.....	22.2
Herbicides	Up	37.7	36.4	26.7	38.8	66.7
	Same	44.3	45.4	40.0	50.0	33.3
	Down	8.2	4.6	20.0	5.6	.....
Insecticides	Up	49.2	45.5	40.0	55.7	66.7
	Same	29.5	27.3	33.3	27.8	33.3
	Down	11.5	13.6	13.4	11.2	.....
Garden tools	Up	26.2	31.9	26.7	22.4	16.7
	Same	54.1	40.7	60.0	60.9	66.7
	Down	11.5	9.2	13.3	16.7	.....
Watering equipment	Up	31.8	16.1	40.7	35.3	40.0
	Same	39.2	32.3	33.4	47.1	46.6
	Down	16.9	32.3	7.4	11.8	13.4

Because of multiple responses, percentages do not add up to 100%

Current inventory of walk-behind mowers (median no. of units per store)	17	14	17	13	18

**The mass merchandisers' and hardware/home centers' questionnaire asked for information on horticultural chemicals. The questionnaire to garden centers broke down horticultural chemicals into herbicides and insecticides.*

Nine product lines sold through four key classes of retailers were measured by **LGM** for this survey.

'82 Census data

EQUIPMENT SHIPMENTS AT $2.38 BILLION

■Preliminary data developed by the 1982 Census of Manufactures may come as a surprise to some industry observers. This is due to some sharp declines from 1977 unit volumes in some product categories.

continued on page 18

Lawn and garden equipment
(Industry 3524)

	1982 [1]Product shipments		1977 [1]Product shipments	
	[2]Quantity (thousands)	Value (million dollars)	[2]Quantity (thousands)	Value (million dollars)
Consumer nonriding lawn, garden, and snow equipment:				
As reported in the census of manufactures	(X)	1,167.5	(X)	841.2
As reported in the Current Industrial Report MA-35A, Farm Machinery and Lawn and Garden Equipment	(X)	1,112.8	(X)	(3)
Lawnmowers:				
Reel, push type, nonpowered	39.9	9.2	121.5	3.1
Reel, push type, gasoline engine powered			35.7	6.0
Rotary, push type, gasoline engine powered	3,200.5	377.3	3,080.5	249.7
Rotary, self-propelled, gasoline engine powered	1,489.4	266.3	996.0	132.1
Electric, all types, including battery powered			157.5	15.7
Rotary garden (motor) tillers	545.3	188.6	[4]499.0	[4]115.0
Two-wheel tractors, walking type (except rotary tillers)	11.8	8.8	(5)	(5)
Snow throwers (snow blower) (except attachment type):				
Single stage	150.1	22.3	244.2	37.9
Dual stage	88.6	47.8	146.1	50.9
Powered lawn edgers/trimmers:				
Fixed blade, gas	184.3	22.6	2,208.4	57.6
Fixed blade, electric	440.1	16.7		
Other than fixed blades	2,287.7	82.9	6,023.4	112.9
Shredders and shredder-grinders	16.3	4.1	16.1	3.4
Powered hedge trimmers	(6)	(6)	(S)	520.6
Yard vacuums and blowers	525.9	23.4	39.8	11.6
Lawn sweepers, push type and powered (except attachment type)	94.5	8.0	89.5	5.0
Other consumer nonriding lawn, garden, and snow equipment	[8]1,345.7	[8]34.8	(X)	[r]19.8
Parts and attachments for consumer nonriding lawn, garden, and snow equipment:				
As reported in the census of manufactures	(X)	145.5	(X)	103.2
As reported in the Current Industrial Report MA-35A, Farm Machinery and Lawn and Garden Equipment	(X)	141.0	(X)	(3)
Parts	(X)	[7]121.0	(X)	70.6
Attachments	1,107.4	20.0	(X)	32.6
Consumer riding lawn, garden, and snow equipment:				
As reported in the census of manufactures	(X)	765.2	(X)	577.4
As reported in the Current Industrial Report MA-35A, Farm Machinery and Lawn and Garden Equipment[9]	(X)	742.6	(X)	(3)
Lawn tractors and riding mowers:				
Front engine:				
Less than 8.0 hp	(6)	(6)		
8.0 hp to 9.9 hp	[8]139.8	[8]82.6	460.4	194.9
10.0 hp or more	252.2	255.3		
Rear engine:				
Less than 6.0 hp	22.9	12.8	119.3	43.8
6.0 hp to 7.9 hp	24.5	14.2		
8.0 hp to 9.9 hp	133.5	98.2	140.3	64.8
10.0 hp or more	59.2	52.6		
Garden tractors:				
Less than 10.0 hp	25.6	45.3	13.1	12.1
10.0 hp to 13.9 hp			70.0	88.5
14.0 hp to 15.9 hp	14.9	37.2	33.1	51.8
16.0 to 19.9 hp	(10)	(10)	68.6	105.7
20.0 hp or more	(10)	(10)	[10]107.1	15.7
Other consumer riding lawn, garden, and snow equipment	[10]66.3	[10]44.2		
Lawn and garden equipment, n.s.k., typically for establishments with 20 employees or more (see note)	(X)	19.5	(X)	17.0
Lawn and garden equipment, n.s.k., typically for establishments with less than 20 employees (see note)	(X)	33.7	(X)	9.1

The following abbreviations and symbols are used in the tables in this publication:

(S) Withheld because estimate did not meet publication standards on the basis of either the response rate or a consistency review.
(X) Not applicable.
n.s.k. Not specified by kind.
r Revised.

[1]Data reported by all producers, not just those with shipments of $100,000 or more.
[2]For some establishments, data have been estimated from central unit values which are based on quantity-value relationships of reported data. The following symbols are used when percentage of each quantity figure estimated in this manner equals or exceeds 10 percent of published figure: *10 to 19 percent estimated; **20 to 29 percent estimated. If 30 percent or more is estimated, figure is replaced by (S).
[3]For 1977, data was collected only in the census of manufactures.
[4]Comparable data for 1977 from CIR MA-35A for rotary garden (motor) tillers are 425,496 units valued at $65.8 million for under six engine horsepower and 110,899 units valued at $53.1 million for six engine horsepower or more.
[5]For 1977, category totals were combined to avoid disclosing data for individual companies. Comparable data for 1977 from CIR MA-35A for two-wheel, walking-type tractors has been combined with attachments for garden tractors.
[6]For 1982, category totals are combined to avoid disclosing data for individual companies.
[7]Only replacement parts are collected on the current industrial report. This is assumed to be the major reason for lower total values for parts and attachments than those shown for census data.
[8]See 1976 CIR MA-35A for more product detail.
[9]For 1982, category totals are combined to avoid disclosing data for individual companies.
[10]For 1982, category totals are combined to avoid disclosing data for individual companies.

Source: 1982 Preliminary Report of Census of Manufactures; U.S. Dept. of Commerce; Bureau of the Census

Census continued from page 16

Results, excluding those of riding equipment, parts and attachments are reported in the table.

The Census of Manufactures, by the Bureau of the Census, is tabulated every five years. The figures reflect only quantities and values of domestic product shipments and dollar figures at prices current for that year. They do not take into account the inflation factor, nor do they report imported equipment and accessories.

Two categories show increases

Substantial increases in product shipments were seen in the categories of yard vacuums and blowers and snow-thrower attachments.

Yard vacuums and blowers increased in products shipped from 39,800 in '77 to 525,900 in '82; although the value of these goods shipped increased only slightly more than 100 percent, the quantities increased more than 1,200 percent over '77 figures.

Snow-thrower attachments marked a substantial increase of 1,200 percent also, increasing from 19,700 in '77 to 270,300 product shipments in '82.

Decreases shown in some categories

Those categories with substantial decreases, according to census information, include reel push-type non-powered and gasoline-powered lawn mowers, single- and dual-stage snow throwers, lawn edgers/trimmers, rear engine riding mowers of less than 6.0 hp and garden tractors of less than 16 hp.

The combined figures from the two categories of reel push-type non-powered and gasoline-powered lawn mowers indicate a substantial decrease in product shipments from 157,200 in '77 to 39,900 in '82, a 74 percent decrease.

Single-stage snow throwers dropped from 244,200 in '77 to 150,100 in '82, a 38 percent decrease; dual-stage dropped from 146,100 in '77 to 88,600 in '82, a 39 percent decrease.

The whole category of lawn edgers/trimmers, including fixed blade electric and gasoline-powered types and those other than fixed blade, experienced a decline of 64 percent from 8.2 million in '77 to 2.9 million in '82.

Rear engine riding mowers of less than 6.0 hp showed a substantial 80 percent decrease in products shipped from 119,300 in '77 to 22,900 in '82, (though rear engine riding mowers of greater horsepower increased from 140,300 to 217,200, a 54 percent increase.)

And garden tractors of less than 16 hp decreased 65 percent in product shipments from 116,200 in '77 to 40,500 in '82.

Fewer employees

According to Census data, the lawn and garden equipment industry recorded employment of 17,800, a decrease of 9 percent from '77 (and 2 percent from 1981). Wisconsin, Illinois, Mississippi and Ohio accounted for about 46 percent of the industry's '82 employment, the same as in '77.

Total value of shipments was $2.4 billion; 91 percent represents products primary to the industry; the remaining 9 percent is secondary products and miscellaneous receipts. □

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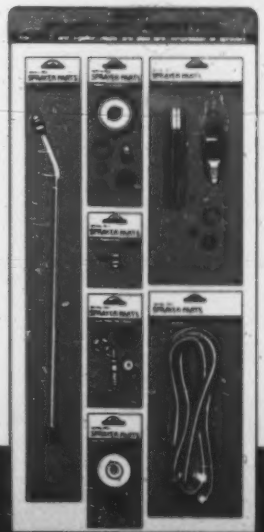

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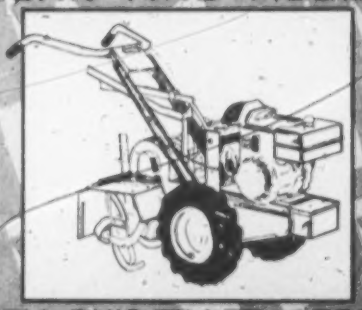

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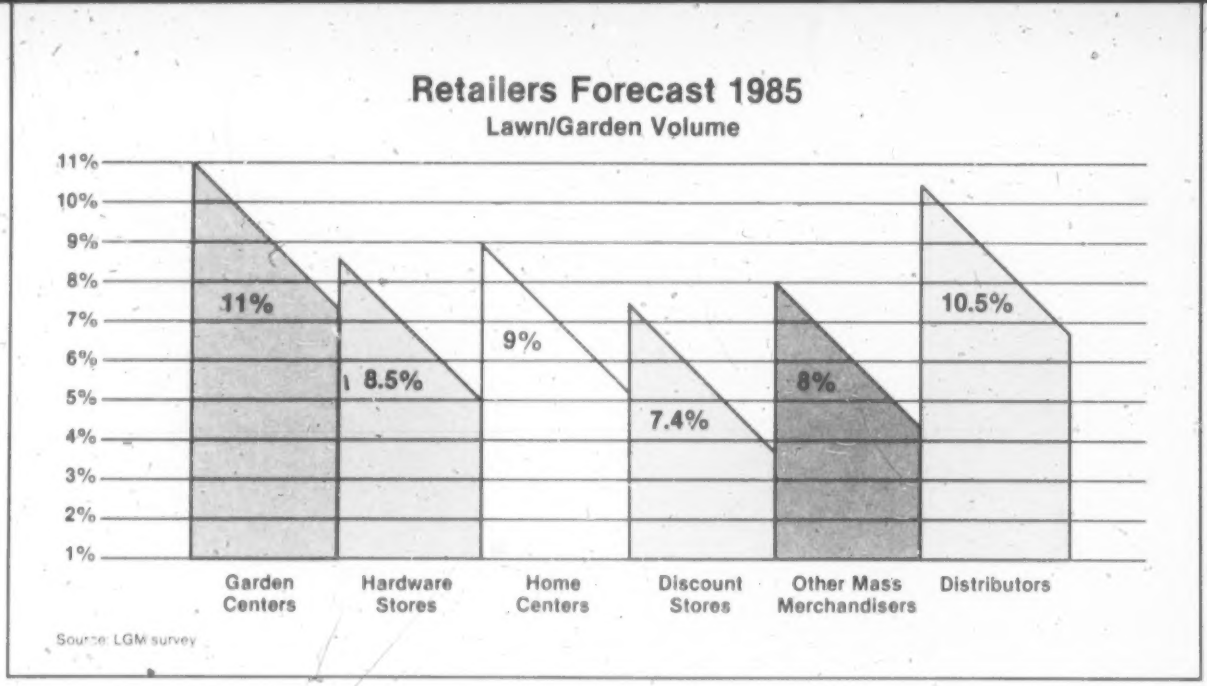

Retailers see big '85 increase

Patio: price sensitive

■Despite Industry predictions, patio sales could slow if prices rise. According to the August '84 issue of *Chain Store Age*, data compiled by CSA/Leo Shapiro & Associates indicate that higher prices of patio furniture may deter the shopper, who is profiled as "an older customer who is planning for or just beginning retirement."

Says CSA, "In this year's study, 41.3 percent of those who have or are planning to buy patio furniture are 45 years old or older vs. 36.3 percent who were that old in the '83 study. Additionally, 39 percent are between the ages of 30 and 44 compared with 41.7 percent in 1983. One out of two have family incomes below $30,000, similar to last year's survey.

"Over the past 12 months, this older customer has become increasingly concerned about patio furniture prices. Discount or low price was the No. 1 factor influencing 37.9 percent of this year's shoppers. Last year, it was mentioned by 27.2 percent of those polled. (Selection and quality were the second and third motivators each year.) Moreover, one out of every two polled this year bought the merchandise on sale." -□

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■Garden centers and wholesale distributors of lawn and garden products foresee a significant increase in sales volume, according to the results from an **LGM** survey conducted in early September.

Garden centers, with a forecast of an 11 percent increase in overall product mix, were the most optimistic of the five classes of retailers surveyed, though other hardlines retailers exceeded garden centers in their expectations of increases in many of the product categories.

In nursery stock alone, garden centers predict a 20 percent increase, in comparison to discount stores' 8 percent, home centers' 5 percent, hardware stores' 4 percent and other mass merchandisers' 3 percent.

Volume retailers were especially optimistic of sales of garden tools, with home centers forecasting a 15 percent increase, hardware stores 14 percent, other mass merchandisers 11 percent, discount stores 8 percent and garden centers 4 percent.

Retailers predict substantial increases in outdoor patio sales, with discount stores anticipating a 12 percent increase, other mass merchandisers 8 percent, garden centers and hardware stores 7 percent and home centers 4 percent.

All retailers were surprisingly bullish about expected increases in sales of lawn fertilizer, despite continued reports of heavy inroads from the lawn care operator sector of the business.

In lawn fertilizer sales, other mass merchandisers predict a 12 percent increase, home centers 11 percent, garden centers 10 percent and discount stores 9 percent. In specialty fertilizer sales, garden centers and other mass merchandisers predict a 10 percent increase, hardware stores 6 percent, and home centers and discount stores 5 percent.

Other expected increases from that survey follow:

Cutting tools. Expected increases are: hardware stores, 10 percent; home centers and other mass merchandisers, 8 percent; discount stores, 7 percent; and garden centers, 4 percent.

D I Y irrigation. Expected increases are: other mass merchandisers, 6 percent; hardware stores, 4 percent; garden centers, 3 percent; and home centers, 1 percent.

Horticulture chemicals. Expected increases are: garden centers, 9 percent; discount stores, 8 percent; home centers and other mass merchandisers, 5 percent; and hardware

continued on page 41

the power equipment industry continually addressed health and safety issues. A major function of the OPEI is the continuing development of safety standards for all outdoor power equipment products. New products are added to the list each year along with revisions of existing standards as the state of the art changes. I have no idea if the federal government will again choose to be involved in our industry as directly as it was with the CPSC. However, we will continue to address environmental issues, such as noise abatement, air pollution and, certainly, safety. The OPEI has standing committees addressing technical and marketing issues. When our direction is determined, the OPEI works with the appropriate government agency to present a workable solution that will permit the industry to provide effective products while addressing the specific environmental or consumer issue. This is an ongoing process and one of the major functions of the OPEI.

Burns: In your opinion, where will the OPEI focus its activities in the next five years: marketing activities, governmental activities, increasing exports, expanding the International Lawn, Garden & Power Equipment Expo, other?

Reid: The OPEI activities of the next five years will generally follow the future plans list which I mentioned earlier. Undoubtedly, we will continue to be deeply involved in governmental activities and in the expansion of our International Lawn, Garden & Equipment Expo.

Burns: What can be done to make the marketing of outdoor power equipment products more profitable for all segments of the industry—suppliers and retailers?

Reid: The most important single factor for making outdoor power equipment products more profitable is rapid and positive product development and innovation. Many of our major product lines have reached the "mature" stage of the product life cycle. Most sales are for replacement purposes. New products that perform better, are more convenient or do a new task accelerate replacement and provide market expansion. Certainly it helps to market better. We must provide sales and service information to retailers, improve the flow of highly seasonal products, and implement other recognized improvements in business management. But the greatest strides forward for the power equipment industry have always been new and better ways of applying a small, portable power source to a job done around the lawn and garden. The world is developing new technology very rapidly. We must make sure that our industry applies this technology well. □

Circle (25) on Reply Card

stores, 2 percent.

Indoor plants. Expected increases are: garden centers, 10 percent; discount stores, 8 percent; other mass merchandisers, 6 percent; and hardware stores and home centers, 2 percent.

Power equipment. Expected increases are: hardware stores and home centers, 12 percent; other mass merchandisers, 10 percent; discount stores, 7 percent; and garden centers, 1 percent.

Power parts. Expected increases are: home centers, 7 percent; discount and hardware stores, 6 percent; other mass merchandisers, 3 percent; and garden centers, 1 percent.

Sprayers. Expected increases are: other mass merchandisers, 8 percent; home centers and discount stores, 7 percent; hardware stores, 6 percent; and garden centers, 4 percent.

Trimmers/blowers. Expected increases are: home centers, 9 percent; hardware stores, 7 percent; discount stores, 5 percent; other mass merchandisers, 4 percent; and garden centers, 1 percent.

Watering products. Expected increases are: home centers, 9 percent; discount and hardware stores, 8 percent; other mass merchandisers, 6 percent; and garden centers, 4 percent.

Also, garden centers, who alone were surveyed on expected increases in landscape services, predicted a 15 percent increase in that category. □

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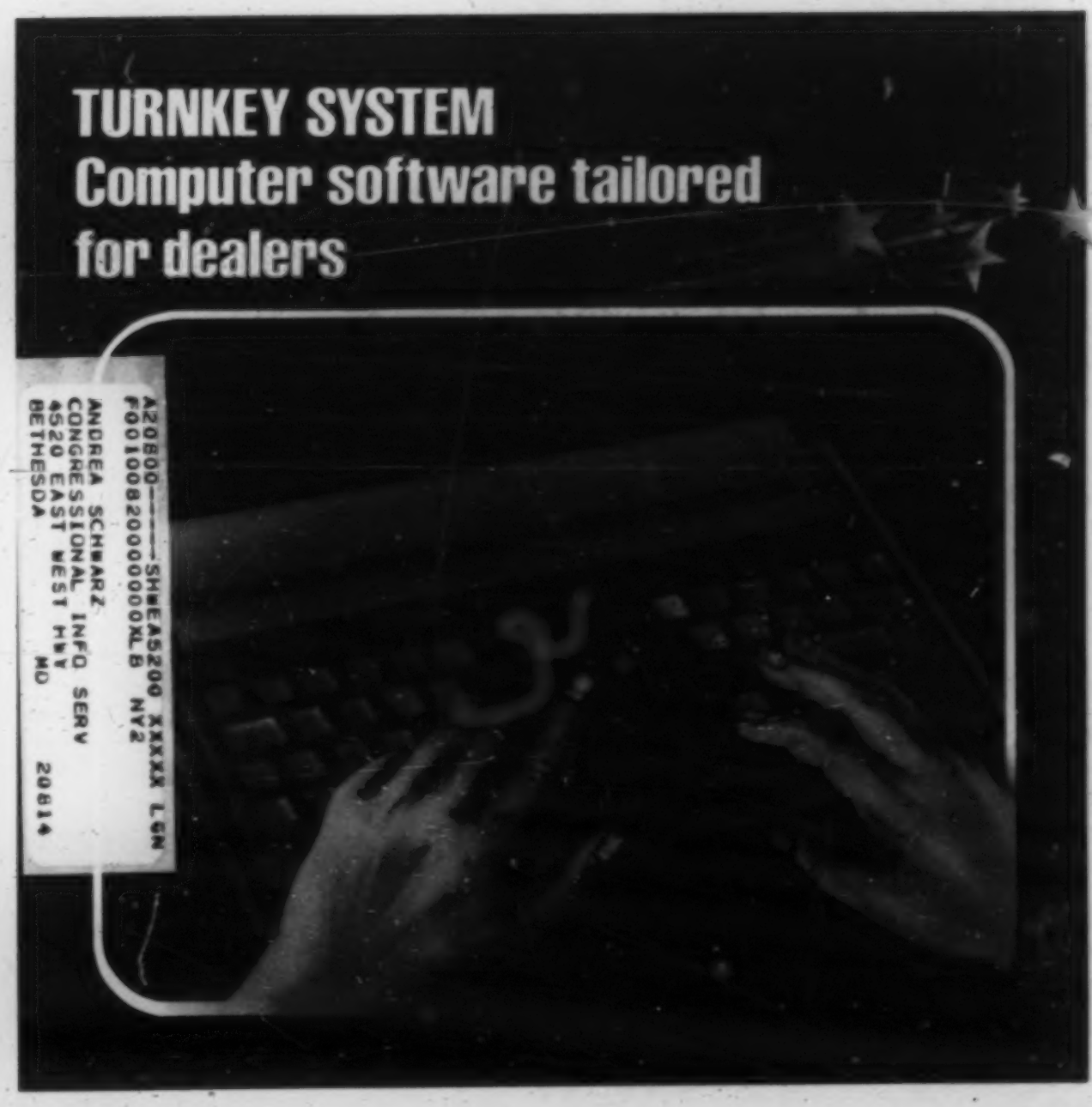
Lawn&Garden Marketing

JANUARY 1985

Reports on: • Relandscaping

• Warehouse retailing • OPE shipments



JANUARY 1985 VOL. 24, No. 1 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.

6 **Cover story:** Tailor-made software for dealers is ready to run.

Cover illustration by Jim Clark.

24 **Relandscaping.** Opportunities are endless as more homeowners are fixing up, not buying new.

Photo courtesy of Ireland's Landscaping Inc.

6 **Turnkey system: computer software tailored for dealers.** R. E. Jarvis Co. markets well-tested system to its own dealers.

14 **Packaging winners.** Lawn and garden packaging award winners show and tell.

16 **Warehouse retail expansion quickens.** Companies across the country are following the lead of Home Depot of Atlanta in spreading new merchandising concept.

24 **Relandscaping: new opportunity for retailers, landscapers.** With new housing costs rising, more homeowners are redoing present homes themselves or hiring independent landscapers.

32 **Planning '85 Expo.** Show promises to be bigger and better with expanded exhibit space, demonstration area; buyers rate the '84 Expo.

34 **Manufacturers' shipments up 12.8 percent.** Results from OPEI indicate tractor sales increased in '84.

36 **Chemicals, fertilizers: $1.5 billion market.** Preliminary estimates indicate sales of lawn, garden and houseplant chemicals to consumers have increased about 6 percent annually since 1980.

40 **Geographic breakdown of America's gardeners.** Further results from '84 Gallup/GFA survey regionalize U.S. gardening households.

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Coming in February: Executives of major garden center chains discuss trends in products, consumers, competition and opportunities • A report on trends in prices and features of walk-behind mowers • ABCs of electric equipment.

Postmaster: Return form 3579 to Lawn & Garden Marketing, P.O. Box 12942, Overland Park, KS 66212-0930.

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Power Equipment Report

Vol. 6 No. 1 January 1985

Manufacturers' shipments up 12.8 percent

Total shipments of walk-behind power mowers, lawn tractors and riding mowers, riding garden tractors and rotary tillers increased 12.8 percent in the 1984 model year, according to estimates by the OPEI. The model year ended Aug. 31.

The most significant growth was for lawn tractors and riding mowers, which increased 23.9 percent over the 1983 model year. Shipments for '84 were 856,000 units as compared to 691,000 in '83.

Walk-behind power mowers totaled 4,950,000 units, an increase of 12.5 percent over the '83 estimate of 4,400,000 units shipped. The F.O.B. value increased 6.8 percent.

Rotary tillers, showed a 2.2 percent decrease in units but an increase in dollar value. The F.O.B. value for tiller shipments for the '84 model year was $197 million.

Riding garden tractor unit shipments increased 17.8 percent. The estimate indicates that 152,000 units were shipped during the '84 model year with an estimate of 129,000 units reported a year ago. The F.O.B. value shows an increase of 13.1 percent at $311 million. In '83, the value was $275 million.

The total F.O.B. factory shipment value for these products is $2.01 billion.

Key Lawn and Garden Categories – 1984 Model Year (Estimated)

Product	Unit Shipments 1984	Unit Shipments 1983	Change %	F.O.B. Shipment Value 1984	F.O.B. Shipment Value 1983	Change %
Walk-behind power mowers	4,950,000	4,400,000	+12.5	$ 742 MM	$ 695 MM	+ 6.8
Lawn tractors/riding mowers	856,000	691,000	+23.9	760 MM	600 MM	+26.7
Front engine	502,000	415,000	+21.0	482 MM	395 MM	+22.0
Rear engine	354,000	276,000	+28.3	278 MM	205 MM	+35.6
Riding garden tractors	152,000	129,000	+17.8	311 MM	275 MM	+13.1
Rotary tillers	399,000	408,000	– 2.2	197 MM	132 MM	*
	6,357,000	**5,628,000**	**+12.8**	**$2,010 MM**	**$1,702 MM**	*

*These data are not comparable to 1984 data.

Briefs

Canadiana Outdoor Products, Brampton, Ontario, has reached an agreement with Flymo Limited, Aycliffe, England, to distribute Flymo lawnmowers under an exclusive license for the U.S. market.

Sachs-Dolmar Division, Atlanta, Texas, has appointed Leif Persson product services manager. Persson will act as liaison between U.S. customers and the company headquarters in Hamburg, West Germany.

H. Allan Bloomingburg has joined Dixon Industries, Coffeyville, Kan., as a territory manager for Kentucky and Tennessee. He is based in Knoxville.

BCS Mosa Inc., Charlotte, N.C., appointed Jeff Pinnow manager of marketing services. The company also appointed John Clark as customer service representative.

Walter H. Bennett has been named chainsaw product manager for Poulan/Weed Eater, Shreveport, La.

Advanced Spring, Inc., a wholly owned subsidiary of Advanced Automated Equipment Ltd., has opened offices in Newport, R.I., and a stocking warehouse in Port Huron, Mich. The company manufactures rewind springs for small gasoline engines.

William Hermanson, vice president of engineering for Tecumseh Products Co., Grafton, Wis., died Oct. 31, 1984, several days after undergoing heart surgery. Hermanson joined the Lauson Engine division as manager of advanced engineering in 1961.

MTD Products Inc., Cleveland, Ohio, purchased the packaging division of Arnold Industries and formed Arnold Corporation, a wholly owned subsidiary. The purchase closed Oct. 15, and MTD has moved the operation to its 110,000 square-foot manufacturing facility in Ohio.

Vernon Uhlinger has succeeded Norman Beck as the new president of NESDA; the term began at the start of the fiscal year, Dec. 1, 1984.

Juergen Buller has been appointed national sales manager for Roper brand outdoor power equipment. Prior to this appointment, he was director of marketing services for Roper, Kankakee, Ill.

'85 Expo update: see page 32

Carswell forms new company

Carswell Distributing Co., Winston-Salem, N.C., has formed a related company Carswell Import and Marketing Associates Inc.

The new firm will serve as the North American importer of Robin outdoor power products, including consumer and professional grass trimmers/brushcutters, backpack blowers and sprayers, hedge trimmers and water pumps. CIMA is establishing a nationwide distribution network.

Robert Carswell, president of Carswell Distributing Co., said that the formation of a separate company to handle the marketing of the Robin product line was a response to the equipment's national appeal.

William A. Parsley will serve as CIMA's president.

Chemicals, fertilizers: $1.5 billion market

■Preliminary estimates indicate that consumers will have spent $1.5 billion for lawn, garden and houseplant chemicals in 1984, an increase of about 6 percent annually since 1980.

According to a new survey, fertilizers, the largest segment, account for approximately 40 percent of total sales; insecticides for 35 percent; and herbicides, such soil conditioners as peat, lime, perlite, vermiculite, potting soils, rodenticides, and fungicides together account for the remaining 25 percent.

Despite the effects of the recent economic recession, manufacturers of these products showed sales gains during this period and the future remains promising. Estimates of 1984 sales of consumer pesticides and fertilizers and estimates of future growth are given by product category in the accompanying tables.

Table 1

Sales forecast of consumer pesticides, fertilizers

Millions of current manufacturers' dollars[1]

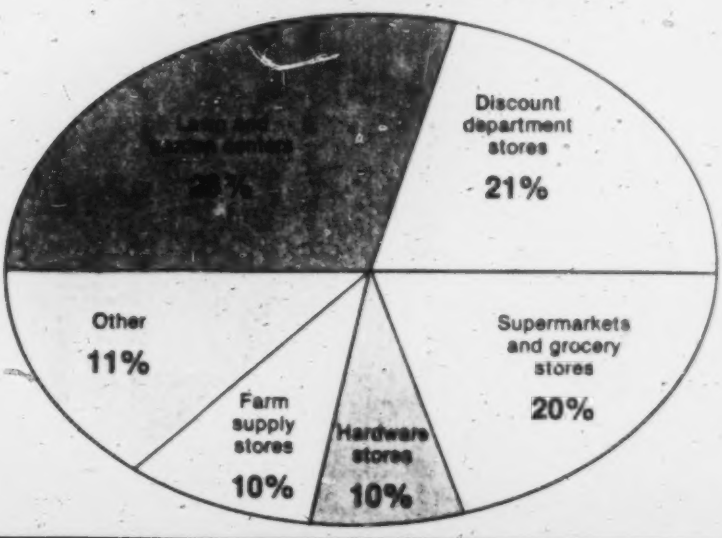
Product	1984	1989	Increase, %/yr.
Fertilizers	$ 590	$ 800	6.2%
Insecticides	530	800	8.6
Soil conditioners[2]	150	215	7.7
Herbicides	100	135	6.2
Potting soils	85	110	7.1
Rodenticides	35	46	8.8
Fungicides	10	14	7.0
Total	$1,500	$2,120	7.1%

[1]Assumes annual inflation rate of 5 percent.
[2]Peat, lime, vermiculite, perlite and other.

Table 2

Estimated sales by retail class

1984 estimates, percentage of manufacturers' dollars



The new survey by C.H. Kline & Co. shows that several trends have developed since this study was last conducted in 1980. For example, lawn care service companies are being used increasingly by consumers to apply pesticides and fertilizers to their lawns, thereby forcing manufacturers to re-examine their marketing strategies.

Also, products are becoming increasingly specialized, and such insecticides as ant and roach killers continue to attract new users while encouraging the development of other new products. And channels of distribution are changing as well; products once traditionally sold through lawn and garden centers are now being sold through a variety of outlets, including discount department stores and supermarkets.

The lawn, garden and houseplant chemical business continues to be competitive, with more than 250 companies selling products to consumers. In spite of this competition, Kline indicates that a large portion of the business is controlled by relatively few manufacturers. Some of the market leaders include O. M. Scott (ITT), S. C. Johnson, Ortho (Standard Oil of California), American Home Products and Estech (Esmark).

The Kline survey, a complete revision of its popular study first conducted in 1964 and later updated in 1975 and 1980, analyzes data collected through interviews conducted by the Kline staff with more than 180 suppliers, manufacturers, distributors, retail chains, government agencies and trade associations familiar with the industry. In addition, more than 1,000 consumers were surveyed using a nationally recognized mail panel, and 500 retail outlets were interviewed by telephone. □

Geographic breakdown of America's gardeners

In the November/December issue of **LGM**, a heading was omitted on the table appearing beneath the map titled "Percentage of all households involved in lawn or garden activity," page 6. Figures were results from the 1984 Gallup/Gardens for All survey.

The result of this omission was the implication that percentages were derived from the percentages in the map when in fact they were not; in actuality, the map percentages and the table percentages were derived from entirely different bases.

The 85.4 million U.S. households can be broken down geographically as follows:

Total U.S. households	
Midwest	22.0 million
South	25.2 million
East	21.6 million
West	16.6 million

Of these 85.4 million U.S. households, 84 percent in the West, 88 percent in the Midwest; 78 percent in the East and 82 percent in the South, are involved in lawn or garden activities.

The percentage of households with vegetable gardens and the percentage of households with flower gardens—based on the total number of households in each region—is as follows:

Gardening households		
	Vegetable	Flower
Midwest	43.2%	53.5%
South	35.8	40.9
East	42.1	46.3
West	33.5	48.7

These percentages convert regionally into 10 million vegetable and 12 million flower gardeners in the Midwest; 9 million vegetable and 10 million flower gardeners in the South; 9 million vegetable and 10 million flower gardeners in the East; and 6 million vegetable and 8 million flower gardeners in the West. This adds up to 34 million total vegetable and 40 million total flower gardeners in the U.S.

However, the actual geographic breakdown of America's gardeners—based on Gallup/GFA findings that 34 million households (or 40 percent of total households) are involved in vegetable gardening, and 40 million households (or 47 percent of total households) are involved in flower gardening—is as shown in the November/December **LGM** table:

Distribution of U.S. gardeners		
	Vegetable	Flower
Midwest	31%	29%
South	25	26
East	26	25
West	17	20

For a fact sheet on the results of the 1984 national gardening survey, contact Bruce Butterfield, research director, Gardens for All, 180 Flynn Ave., Burlington, VT 05401.

Calendar

FEBRUARY

Alabama Nurserymen's Assn., Feb. 3-4, Hyatt Birmingham, Birmingham, AL. Contact Judy P. Copeland, P.O. Box 9, Auburn, AL 36831-0009, (205) 887-6916.

The Fertilizer Institute Annual Meeting, Feb. 3-5, Hyatt Regency, Atlanta, GA. Contact Gary D. Myers, 1015 18th St., NW, Washington, DC 20036, (202) 861-4900.

American Assn. of Nurserymen NLA/GCA Management Clinic, Feb. 3-7, Galt House, Louisville, KY. Contact Robert F. Lederer, 1250 I St. NW, Suite 500, Washington, DC 20005, (202) 789-2900.

National Arborist Assn., Feb. 3-7, Frenchman's Reef, St. Thomas, Virgin Islands. Contact Robert Felix, 1400 Wantagh Ave., Wantagh, NY 11793, (516) 221-3082.

Garden Centers of America, Feb. 4-6, Galt House, Louisville, KY. Contact Robert F. Lederer, 1250 I St. NW, Suite 500, Washington DC 20005, (202) 789-2900.

Wisconsin Nurserymen's Assn. Winter Workshop, Feb. 6, Holiday Inn, Fond Du Lac, WI. Contact Karin Jetzer, Route 1, Box 377, Conservation Rd., Lake Mills, WI 53551, (414) 648-2034.

Rhode Island Nurserymen's Assn. Annual Meeting, Feb. 7, Sheraton Islander Inn, Newport, RI. Contact John J. McGuire, 316 Woodward Hall, University of Rhode Island, Kingston, RI 02881, (401) 792-2791.

Weed Science Society of America, Feb. 8-10, Sheraton, Seattle, WA. Contact Claude Cruse, 309 W. Clark St., Champaign, IL 61820, (217) 356-3182.

American International Toy Fair, Feb. 11-20, 200 Fifth Ave., 1107 Broadway, 41 Madison Ave., 2 Pennsylvania Plaza, and Feb. 16-18 at The Sheraton Centre Hotel. Contact Donna M. Datre, Toy Manufacturers of America, (212) 675-1141.

National Spa & Pool Institute, Feb. 14-16, Community Center, Tucson, AZ. Contact Don J. DeBolt, 2111 Eisenhower Ave., Alexandria, VA 22314, (703) 838-0083.

National Christmas Tree Assn., Feb. 8-9, San Francisco, CA. Contact Jane Svinicki, 611 East Wells St., Milwaukee, WI 53202, (414) 276-6410.

Orgill Brothers Dallas Spring Market, Feb. 16-17, Texas State Fairgrounds Women's Building, Dallas, TX. Contact Dave Crays, Orgill Brothers & Co., P.O. Box 140, Memphis, TN 38101.

The Mid-America Show, Feb. 16-17, Ohio State Fairgrounds Multi-purpose Building, Columbus, OH. Contact Mary Calvert, P.O. Box 1828, Columbus, OH 43216, (614) 486-5278.

American Hardware Manufacturers Assn. Hardlines Conference/Winter Hardware Home Center Show, Feb. 17-19, Las Vegas Convention Center, Las Vegas, NV. Contact William P. Farrell, 931 N. Plum Grove Rd., Schaumberg, IL 60195, (312) 885-1025.

Nebraska Assn. of Nurserymen Annual Meeting and Certified Nurserymen Exam and Recertification, Feb. 20-21, University of Nebraska East Campus Student Union, Lincoln, NE. Contact Carol Papenhagen, P.O. Box 6306, Lincoln, NE 68506, (402) 483-7891.

International Erosion Control Assn., Feb. 21-22, Holiday Inn, Fisherman's Wharf, San Francisco, CA. Contact Michael Mellon, P.O. Box 807, Freedom, CA 95019, (408) 684-1088.

Wisconsin Landscape Federation Annual Conference, Feb. 24-26, Sheraton Hotel, Madison, WI. Contact Bob Finnegan, 34613 Road E. Oconomowoc, WI 53066, (414) 567-2160.

Outdoor Power Equipment Distributors Assn., Feb. 24-27, San Antonio Marriott, San Antonio, TX. Contact John W. Kane, OPEDA, 1900 Arch St., Philadelphia, PA 19103, (215) 564-3484.

American Society of Agricultural Engineers Agri-Mation Conference, Feb. 25-28, Palmer House, Chicago, IL. Contact Mark Purschwitz, 2950 Niles Rd., St. Joseph, MI 49085, (616) 429-0300.

International Society of Arboriculture Midwestern Chapter Meeting, Feb. 27-March 1, Best Western New Tower Hotel, Omaha, NE. Contact Dave Mooter, (402) 444-7804.

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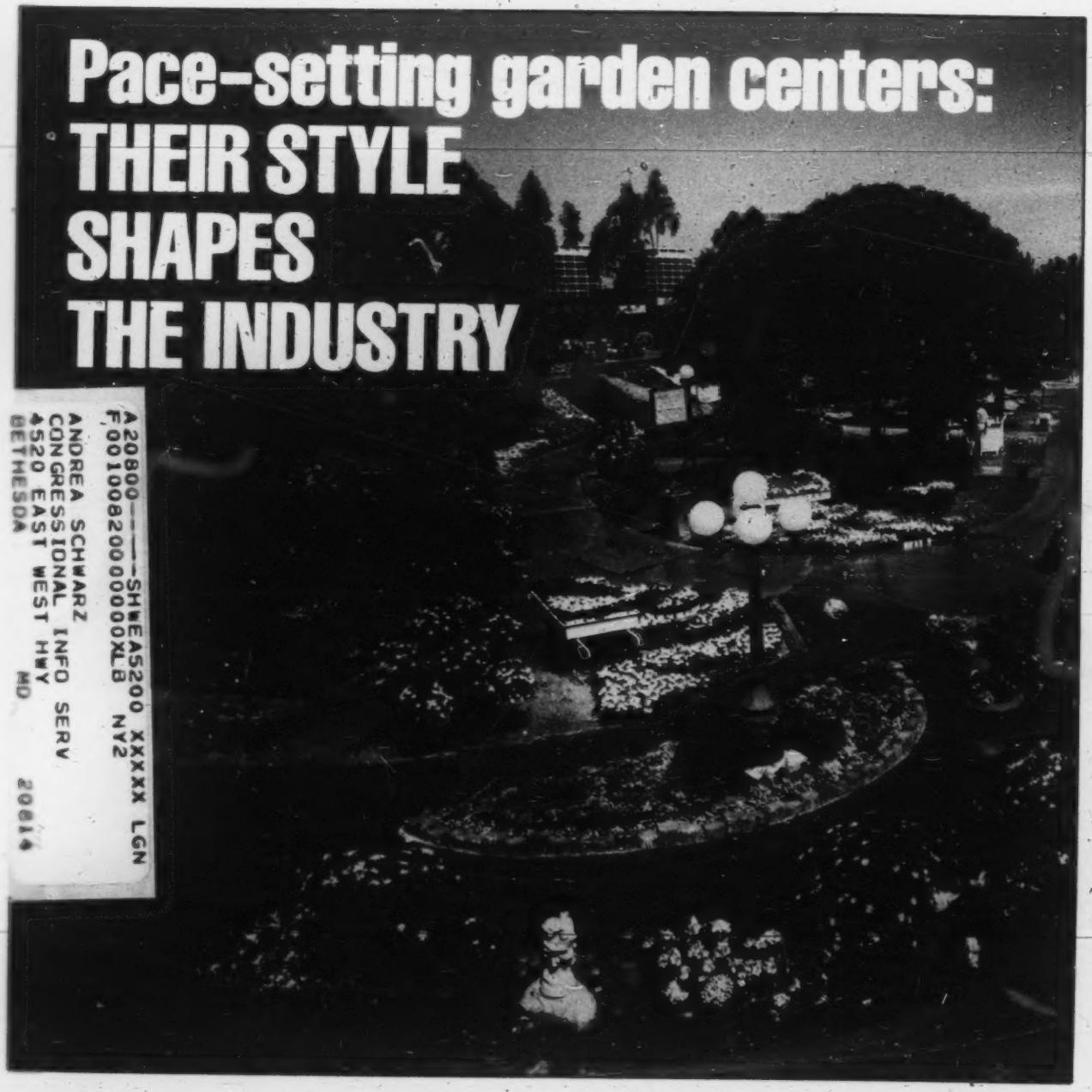
Lawn&Garden Marketing

FEBRUARY 1985

Reports on: •1984 fall sales • Mower prices

• ABCs of electric equipment

Pace-setting garden centers: THEIR STYLE SHAPES THE INDUSTRY



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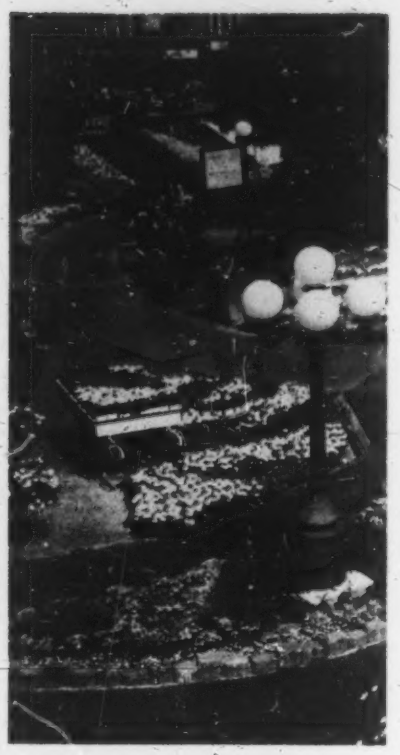
FEBRUARY 1985 VOL. 24, No. 2 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.



8 **Cover story:** Model garden centers turn insight into industry. Photo courtesy of Roger's Gardens.

38 **GIMA** is one of seven trade associations working to make England's GLEE a success in 1985.

8 **Pace-setting garden centers: their style shapes the industry.** Six retailers discuss strategies, including use of dynamic displays, advertising and trends in products.

16 **Daily seminars educate gardeners.** Roger's Gardens tells how demonstrations have become part of its daily business, attracting customers from miles around.

18 **Have walk-behind mowers hit a price barrier?** Key manufacturers discuss features of their 1985 line and concerns about prices.

30 **Product movement report, fall 1984.** Kerosene heaters continued to show sharp national declines; chainsaw market remained steady and sales of blower-vacuums and flowering bulbs increased.

38 **How England builds lawn and garden leadership role.** British industry builds momentum with aid of a festival, trade shows and numerous trade associations.

75 **Lawn care industry joins ranks as high-tech business.** Computer system simplifes accounting and marketing for LCOs.

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Coming in March: Selling safer pest controls • Update on riders and tractors • ABCs of bird feeders.

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Product Movement Report fall, 1984

■Retailers reported increased sales for fall 1984 in six of the eight product lines surveyed by **Lawn & Garden Marketing**.

Only kerosene heaters continued to show sharp national declines, and the chainsaw market remained fairly steady.

Bulbs were strong sellers nationally with 31.2 percent of retailers reporting increased sales and only 6.5 percent indicating decreases. Of those reporting increases, 14.5 percent showed increases of 15 percent or more.

Grass seed followed a similar trend with 48.6 percent of the retailers reporting sales up and only 8.7 percent reporting them down. As with bulbs, the trend was especially pronounced in the North Central region where 62.2 percent showed increased sales, and 2.7 percent showed decreases.

Sales of lawn fertilizers also appeared to be up although the market is not as strong as that for grass seed. The North Central region again was the only region to have more retailers report sales down than up.

The market for garden tools appears to have increased slightly with 27.5 percent of the retailers showing increases and 12.4 percent decreases.

The chainsaw market is relatively steady with 21.5 percent of retailers, nationally, reporting increases and 17.3 percent indicating decreases.

There was also little change in the median current inventory of chainsaws for the fall season. In 1984, the median number of units per store was 17.1, and this year it is 18.3. Only in the West was the median significantly lower. In the West the 1984 figure was 20.9 while this year it dropped to 17.0 units.

Snowthrower sales seem to be slightly better also. Nationally, more than 50 percent of the retailers reported sales the same or up from last year. Only 8.2 percent reported lower sales.

The Northeast was especially strong with 77.7 percent reporting the same or better sales. The South and West had much lower responses but still followed the increased sales trend.

The sales of leaf blowers and vacuums are also improved. Nationally, almost 29 percent of the retailers indicate better sales figures, and only 9.2 percent show decreases.

Again kerosene heater sales declined sharply continuing previous trends. It also appears that many dealers are leaving the market. More than 25 percent of the retailers reporting indicated decreases sales. In the North Central region, the percentage reporting decreases jumped to 36.3 percent. No region had more retailers report sales up or steady than it did down. □

Eight product lines measured

		TOTAL %	NORTHEAST %	N. CENTRAL %	SOUTH %	WEST %	
Bulbs	Up	31.2	26.4	32.4	29.4	28.6	↑
	Same	27.5	27.3	18.9	31.4	32.2	
	Down	6.5	9.1	2.7	7.8	7.1	
Grass seed	Up	48.6	54.6	62.2	41.2	39.3	↑
	Same	31.9	31.8	27.0	27.5	46.4	
	Down	8.7	4.6	2.7	11.8	14.3	
Lawn fertilizer	Up	35.1	30.8	21.1	42.3	43.7	↑
	Same	46.0	61.5	47.4	42.3	37.5	
	Down	17.6	7.7	26.4	15.4	18.8	
Garden tools	Up	27.5	31.8	21.6	31.4	25.0	↑
	Same	52.9	59.1	51.4	51.0	53.6	
	Down	12.4	9.1	16.2	11.7	10.8	
Chainsaws	Up	21.5	36.1	15.7	20.0	16.0	↔
	Same	34.0	30.6	27.5	36.0	48.0	
	Down	17.3	11.1	23.5	12.0	24.0	
Snowthrowers	Up	26.4	40.7	30.3	8.0	23.1	↑
	Same	24.5	37.0	26.4	4.0	7.7	
	Down	8.2	11.1	15.2	.....	.....	
Leaf blowers/ Vacuums	Up	28.6	48.2	21.2	20.0	23.1	↑
	Same	39.8	25.9	48.5	48.0	30.8	
	Down	9.2	.....	6.1	12.0	30.8	
Kerosene Heaters	Up	4.1	.....	9.1	4.0	.....	↓
	Same	2.0	.....	3.0	.....	7.7	
	Down	25.5	7.4	36.3	28.0	30.8	

Because of multiple responses, percentages do not add up to 100%

Current inventory of chainsaws (median no. of units per store)	18.3	19.1	16.4	20.0	17.0

Eight product lines sold through four key classes of retailers were measured by **LGM** for this survey.

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Lawn&Garden Marketing

MARCH 1985

Reports on: • New crop of pest controls

• 7 media categories

• Summer gardening

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Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.

6 **Target marketing.** Nine action steps are outlined to help retailers focus in on consumers who purchase high-ticket items.

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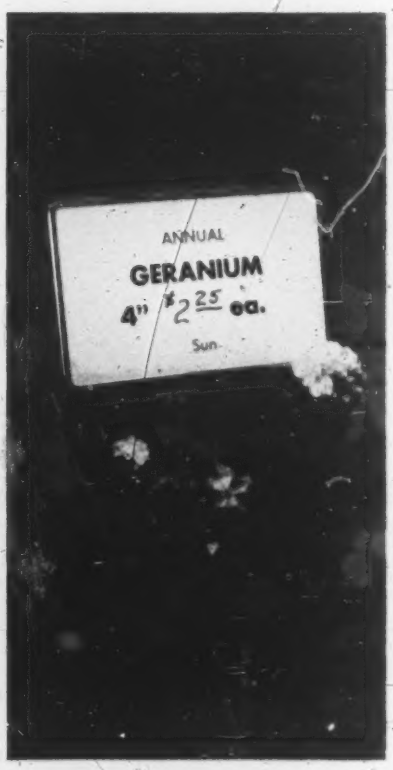

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Selling riders, tractors

TARGET MARKETING IS THE GAME

By Scott Nesbitt

■Upscale riders? Downscale tractors? Rob Peter to pay Paul?

Those are among the questions facing builders and marketers of ride-on mowing equipment at the turbulent mid-point of this decade.

The riding market surged last year after a three-year slump, but the mix has shifted. Garden tractor shipments are far down from the peak of 10 years ago. But the lighter-weight lawn tractors and rear-engine riders seem to be taking up the slack to push total unit shipments near the magic one-million mark.

Where is the market heading? Is it really just one market, or are there particular spots, particular groups of customers, that are just right for certain designs, certain brands and certain retailers?

Consider the recent actions of just a few major builder/marketers of outdoor power equipment:

•Murray Ohio Mfg. Co., a big mass-merchant rider builder for retailers like K mart, announces a spin-off, the Sabre Corp. Sabre will use telemarketing to go direct to independent dealers, offering an upscale, re-engineered riding mower and lawn tractor line with a better-than-usual profit margin.

•Roper Outdoor Power Equipment, long a supplier to Sears, increases the push to get servicing dealers for its bronze Roper ride-on line, while introducing a green-colored Roper Rally line aimed at mass merchants.

•MTD, a major private-label producer and marketer under its own name, forges ahead to retain the separate identity of its Cub Cadet line (formerly part of International Harvester) and its Yard Man line, once an independent builder.

•Deere & Co., having built a million garden tractors and gained an upscale product image, introduces a new rear-engine rider R series specifically called a lower-price line.

•Ford Tractor Operations, a major marketer of blue-painted Gilson mowers, adds three commercial walk-behinds. (Deere has also entered the commercial market with Bunton-made mowers and Deere-built front-running riders.)

The expertise used in launching marketing plans for major suppliers of high-ticket power equipment can be employed at the retail level, too.

•Toro is telling potential dealers, "there's a great growth opportunity on the commercial side of the fence," while at the same time re-committing the company to servicing dealers handling Toro consumer products.

There are two common themes seen in these and other moves in the industry in recent years. First is a broadening of product lines to hit several spots up and down the price/quality spectrum. Second is an attempt by some builders to retail their products through both the mass merchants and the independent servicing dealer. Are these moves a fit of madness, or is there some hidden logic in the strategies being played out?

Targeting the market

The mass merchants and independent dealers have co-existed, often uneasily, for years.

As an Arizona independent dealer commented, "They've got their customers, and I've got mine. It's not worth chasing their people, so I work at keeping the customers I've got."

A Wisconsin distributor put it like this: "There are people who buy garbage, and they'll always buy garbage. The servicing dealer has to write them off as customers."

Confirmation of those individual observations, and some nourishing food for thought about ride-on mower marketing, come from a Stanford Research Institute project called the Values and Lifestyles program (VALS), which each year since 1978 has asked 2,000 adult Americans to answer 33 questions about attitudes and demographics.

From the responses, VALS identifies individual personalities and divides those into nine different groups, each constituting a market unto itself.

"VALS enables you to talk with a target audience as if they were old friends," says John H. Mather, director of marketing and research for Ketchum Advertising, Pittsburgh. Mather presented VALS and its tulip-shaped schematic diagram at the October 1984 AHMA National Hardware Convention in

continued...

Target marketing

...continued

Phoenix, Ariz.

Three VALS groups contain a large chunk of America's home-owning families: the Achievers, the Belongers and the Societally Conscious. All have the income to purchase equipment and the need for equipment to mow grass and handle other chores. It is the differences in their styles and attitudes that shape their buying patterns and may determine the failure or success of the new strategies adopted by the industry.

Of particular importance to the individual store manager, and the industry that relies on him to make sales, is that each VALS group is attracted to a particular housing type and lifestyle. So, regardless of what the tulip chart shows about group proportions in the U.S. population, a particular trade area may be dominated by only one or two VALS groups.

Structuring the wrong local advertising effort, storefront image and sales-staff approach may produce a sales disaster, no matter how right the specific product might be for the local trade area.

How to understand Achievers

Clustered around the golf course, overlooking the scenic little lakes, are the homes of the Achievers—the affluent 22 percent of the population who have made it and want to show the world they have.

Highly-assured, able individuals, they are hard working and comfort-loving. As an outer-directed group, the Achievers are very concerned with symbolism. Forty percent of them own houses worth more than $75,000; many have multiple homes. This group is the one most likely to believe the home is a visible symbol of personal success.

Achievers, says Mathers, are symbolic do-it-yourselfers whose homes and garages are virtual warehouses of the best hardware on the market. They rely on brand names to certify the quality of their purchases. They rely heavily on contractors for home improvements because their work in business, the professions and government limits their time for projects.

"Product appearance and status matter as much or more than price alone" to Achievers, says Mathers. They are more concerned about what a product says about them than what it does for them.

Achievers rank first among VALS groups in owning ride-on mowers, walk-behind mowers, tillers, gas and electric trimmers and snowblowers.

Achievers expect prompt service at hardware stores and home centers, says Mathers. "Because they have neither the time nor inclination to research products on their own, Achievers depend heavily on sales personnel for detailed product information and purchase recommendation.

"If you, as a hardlines retailer, intend to reach the Achievers," he advises, "you should have arresting displays out in the open. Compared to most adults, Achievers are apt to patronize hardware specialty stores and tend to avoid discount stores."

The stable Belongers

Moving away from the suburbs and the Achievers into "small town" America, one finds the older, modest-sized homes of the Belongers, who Mathers calls "conservative, stable and deeply happy individuals."

One of three adults is a Belonger. They are an aging group with low to average incomes reflecting a one-paycheck family supported by work in skilled, blue-collar trades. Their typical homes are valued in the $20,000 to $50,000 bracket, and one-fourth have their mortgages paid off. Being outside the city, the homes have large yards, and the owners take gardening seriously, often considering gardening as an income-stretcher.

Ownership of garden tractors and tillers is high; ride-on mower ownership is higher than average.

The Belonger home is a symbol of family pride and success; the owner's skilled hands tackle much of the maintenance and improvement, including service on power machinery like mowers.

Mather says the Belongers tend to be frugal shoppers who favor proven national brands out of tradition, patriotism and a firm belief that American-made items are the best. Belongers plan and budget for purchases and redeem store coupons.

As customers, Belongers want a lot of breathing room. They like to browse, and, by nature, they prefer to blend-in rather than stand-out; the less sales pressure the better. They prefer stores with conventional, familiar layouts, and rank high in patronizing discount chains.

The Societally Conscious

Outside the Belongers and Achievers, most VALS groups are young and in transition, or older and financially strapped; in any event, ownership of a home and related power equipment are minor factors. Yet one unusual group stands out from the rest—the Societally Conscious.

Mather points out that the Societals are growing in number, and may indicate a wave of the future among consumers.

Like Achievers, he says, the

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Action steps for retailers

- Study traffic count reports from city or state highway departments on existing retail site, and on potential new sites.
- Set aside time each month to study ad message and ad media used by own firm, and by competitors.
- Try to evaluate which of the VALS categories own customers would best fit into and which ad media is most appropriate to reach them.
- Obtain circulation statistics and maps from metropolitan and from suburban newspapers serving your region.
- Obtain Arbitron ratings of local radio stations serving your area.
- Obtain demographic data from local chamber of commerce, or from shopping center developers in the area.
- Get bids from direct mail services in your area, and discuss with them the advantages of mailing to census zones rather than zip codes.
- Place city or regional map on bulletin board, and identify locale of different types of major purchases (lawn tractor, garden tractor, rider, other items as indicated) by different color pin for each product or service.
- Monitor new zoning for residential properties or plans by developers who intend to construct housing on sites of one acre or more. These new households will be high-income properties and will likely need riding equipment to maintain turf areas, driveways.

Target marketing

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Societals are self-assured, but there the similarities end. Being inner-directed, they tend to be activists motivated by a sense of societal responsibility, and are leaders of causes for conservation, environmentalism and consumerism.

They are affluent, successful and of early middle age, but more likely than Achievers to be in professions rather than management.

More than half their homes are valued at $50,000 or more, but they are under-represented in suburbs and medium-sized cities, tending toward large cities or small rural areas.

Societals are knowledgeable do-it-yourselfers, able to repair machinery and remodel their homes. The home is not so much a symbol of success as it is a nurturing and creative environment for learning and sharing.

The Societally Conscious tend to be selective customers who can well afford power tools and equipment. They are strategic shoppers and are the hardest customers to please. They are the VALS group most likely to have complained to a store.

They tend to research products on their own and do not make quick decisions based on what store clerks tell them. They tend to know what they want before entering a store and appreciate product literature or other printed information detailing features and usage as well as "how to" books.

Because this group attaches the least importance to brand names, Mather says, they create for themselves a broader set of patronage options. They seek value for money, are frugal shoppers and are high in redeeming coupons. They cover the spectrum of shopping sources, from specialty stores, mail-order, telephone shopping and department stores, though they are less inclined than average to shop at discount stores.

Dividing the market

Given the analysis of consumers laid out in the VALS system, it appears the broadening of market offerings and product variations makes good sense.

A company that breaks away from mass-merchant and department-store retail outlets to concentrate on independent servicing dealers would, presumably, be directing itself at the Achievers and some of the Societals, while writing off the bulk of the Belongers.

Broadening the price spread within a brand line allows the product to retain the status so important to Achievers, while allowing more persons, who adopt that style but don't have the bucks, to satisfy their need for external recognition.

Adopting a two-track approach, by marketing through mass merchants and independent specialty stores, gives other manufacturers a toe-hold in the Achiever and Belonger segments, while picking up some of the value-conscious Societals.

The continuing move of major lawn and garden equipment builders into the commercial segment also seems to make good sense, particularly when the product is aimed at the Achievers as well as the true commercial user.

The Achiever who buys product color and associated brand image is able, with a commercial product, to get the ego recognition he needs, while also getting a sturdy product that won't wear out on the job. The image, after all, won't remain a strong motivator if the product falls short on performance. This is particularly important if the manufacturer and dealer hope to make repeat sales to fill those hardware warehouses the Achievers maintain.

In short, it appears that the market for ride-on equipment is actually a set of three distinct markets, each large enough to support several manufacturers and many variations in product types.

The recent upturn in ride-on sales shows that lighter-duty machines are displacing the larger garden tractors in the market, leading some observers to believe the manufacturers are robbing their own garden tractor sales by pushing sales of lawn tractors and rear-engine riders.

It may be, though, that sales of commercial mowers are eating into garden tractor sales, especially as the cost differential between the two types of machines narrows, and the commercial units become quieter, easier-riding, simpler to operate and more versatile.

If the VALS analysis does reveal something valuable about buyers, it may be that the Achievers prefer owning many individual machines to handle chores and stock their garages. The multi-purpose garden tractor, with its various attachments, limits the number of individual machines that can be bought, and imposes the inconvenience of having to change attachments.

The Achievers, a traditional market for up-scale equipment, may be dictating the long-term future of the top-of-the-line product offerings through their need for status and recognition. □

Historical trends in ride-on shipments

(All figures in 1,000s of units)

Year	Riders	Lawn tractors	Sub-total	Garden tractors	Total
1985 (est.)	322	479	801	153	954
1984	354	502	856	152	1008
1983	276	415	691	129	820
1982	261	393	654	146	800
1981	250	370	620	151	771
1980	314	494	808	220	1028
1979	343	515	858	254	1112
1978	273	477	750	219	969
1977	266	404	670	215	885
1976	*	*	690	210	900
1975	*	*	640	230	870
1974	*	*	1020	325	1345
1973	*	*	920	305	1225

Data from Outdoor Power Equipment Institute.
*Rear-engine riders and lawn tractors (front engine) were not broken out separately until 1977.

Chemical debates yield new crop of products

By Steve Trusty

■ The debates about pest controls that began in earnest with the publication of Rachel Carson's "Silent Spring" in 1962 have prompted a number of changes in the pest control segment of the lawn and garden business. In response to media attention and increased efforts by a few small companies, more consumer interest has been shown in products called "organic," "biological," "safe" or "natural."

Products that may have been nonexistent, or known only to avid gardeners or horticultural and agricultural experimenters a few years ago, are now moving into the distribution channels. New alternative products have just been introduced, and more are on the horizon.

Even so, there has been little change in the numbers of home gardeners using organic products, according to the Gallup survey.

Some industry observers attribute this lack of real growth, particularly in insecticides, to the fact that consumers usually don't worry about insects until they have infestations. Then they want to apply a product with quick results. They want to see the predator insect die immediately, said one source. And generally speaking, organic and biological controls are slower acting. Instead of killing the insects quickly, these controls act by impairing the functions or habits of the pest, disrupting its life cycle, eventually leading to death or preventing reproduction.

Suppliers and retailers cite the consumers' and retailers' lack of knowledge on the subject as an important factor limiting the growth of this class of products.

Many people in the industry—even traditional chemical formulators—feel that the market is changing. They have researchers at work seeking more specific controls and seeking biodegradable and less toxic pest control products.

To date, the biological controls have not been as economically feasible as the traditional chemicals because the feature that gives them such ecological appeal, more specific control, makes them more expensive to use in some cases. If a variety of pest problems exist, for example, several applications with different specific products versus one application of a broad-spectrum product may need to be made.

One company specializing in organic pest controls is Safer Agro-Chem Inc., Lewistown, N.Y. In the fall of 1984, Safer conducted a public relations program to promote its products. As part of the program, Mike Atkins, vice president of Safer's U.S. division, and entomologist Sergei Condrashoff, vice president, conducted a media tour, which included stops in San Diego, Los Angeles, San Francisco, Sacramento, Portland, Seattle, Dallas, Houston, and San Antonio.

Both Safer executives were interviewed in the various markets by broadcast and print media and reported they had "good, positive

One major supplier's view of the pest control future

■ Many of the companies mentioned in the above article on the new crop of products are young in years of small in size. They lack the marketing experience and financing potential that the larger ones have. How do the large, established companies see the future for these new pest control products?

The managers of one major marketer, Chevron Chemical Co., San Francisco, see the development of biologicals coming but slowly.

More than a year ago, Mel

media coverage." Although the purpose of the program was to promote Safer's products, Atkins says any company marketing these new products must address the entire concept and not just individual products.

On the media tour, for example, questions arose regarding controlling pests not affected by Safer products; the executives directed the interviewer to products such as Bacillus Thuringiensis, pheromones or similar controls. Says Atkins, "The whole industry needs to work together on this for maximum impact."

According to Atkins, the mass media is anxious to hear about less toxic products, and the suppliers can capitalize on this by providing factual information on what natural products will and will not do, how long they take to be effective, and how they differ from more toxic products.

Ralph Snodsmith, of the popular "Garden Hotline" radio program, agrees that many of these new products are very effective as long as everyone understands how they work. The consumer must take time to learn, and suppliers are obligated to provide the information, he said.

One manufacturer of alternative products suggests that there is an opportunity for distributors to act as the catalyst to bring these new products to the consuming public. He says that a distributor can help the retailer put together a complete department of organic or biological products. Retailers also need a combination educational/advertising

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Consumers using various insect controls

	1982	1983	1984
Chemical insecticide dust or powder	46%	44%	47%
Chemical concentrate mixed with water, sprayed	28	33	34
R.T.U. dust or aerosol	17	20	25
Hand pick	15	13	15
Home remedies	10	9	9
Strictly organic (plant-based or organically based, such as pyrethrum, rotenone, B.T., etc.)	8	7	6
Beneficial insects	5	3	3

+ or – 3 point sampling tolerance

Source: Gardens for All/Gallup Survey

Garbett, Chevron's manager of product development and evaluation, made a comprehensive evaluation of the pest control industry in a talk before the pesticide division of the Chemical Specialty Manufacturers' Assn.

In his talk, Garbett likened the plight of the manufacturers at that meeting to the biblical story of Noah building his ark to survive. He described how the lawn and garden pesticide industry has, historically, been tied to and dependent on the agricultural chemical industry.

"In reality, we continue to ride on the coattails of our brothers in the agricultural chemicals business. They develop the compounds and hopefully one or two will be spun off to fill the bill for our business, the lawn, garden and home pesticides....But the agricultural chemicals industry today is faced with one of the most difficult periods in the past 50 years."

He noted that the growth rate for chemicals used in agriculture has leveled off "compared to the tremendous growth rates of somewhere between 10 and 15 percent a year in the 1960s and 1970s."

Still discussing agricultural uses—not lawn and garden uses—he said that the growth rate for chemical usage would be between two and three percent a year, and that some

continued...

"The whole industry needs to work together on this for maximum impact." - Atkins, Safer Agro-Chem

program, including effective merchandising displays.

One company helping in that end is Reuter Laboratories. Dick Grandy, marketing director for Reuter, says, "We believe every garden center today should have a 'natural pest control department.'" To boost that, Reuter is offering headers and displays.

In the 1983 annual report for OTF Equities Inc., which purchased 80 percent of Reuter in October 1983, president David T. Marantette recognized consumer interest in the products. "We believe there is a consciousness developing in our country....The desire to grow safer, healthier foods in the garden and to protect people, plants and animals by using alternative pesticides, we believe, is huge." In 1985, Reuter is introducing six new products and continuing work on finding faster-acting products that it claims are environmentally safe.

Some other organizations and companies interested in offering new directions in pest control products include the Chemical Specialties Manufacturers Assn., Washington, DC; Hyponex Corp., Fort Wayne, Ind.; Kenco Chemical Co., Jacksonville, Fla.; and Ringer Corp., Eden Prairie, Minn.

CSMA is a voluntary, nonprofit membership association composed of about 400 companies engaged in the manufacture, distribution and marketing of chemical specialty products. Some of its lawn and garden members include Mobay Chemical Corp., SC Johnson & Son, FMC Corp., Allied Chemical Corp., Chevron Chemical Co., and Reuter Laboratories.

CSMA has added a Biological Pest Control Section to put special emphasis and research into biologicals and to provide a forum for the industry.

Hyponex, producer and marketer of organic lawn and garden products and fertilizers and chemical plant-care products, is offering a national branded program for a complete line of plant care products. Joe Dioguardi, executive vice president, says the real growth market is in organics. The Hyponex outdoor line is composed of completely organic materials, and organics are becoming more important to its indoor line also.

Part of the reason for Kenco's recent acquisitions of the Spectrum line of household chemicals and the Bag-A-Bug and Hot Shot insecticide lines was to give Kenco a broader base in products that could be categorized as non-pollutant, biodegradable or non-toxic, says Tom Sapinski, vice president of sales and marketing.

Another reason was to provide a national geographic base to market all of their products. While biologicals, traps and similar products presently amount to only about three percent of its sales, a heavy infestation of Japanese beetles and gypsy moths could increase that category of products to 15 to 20 percent of sales, Sapinski says.

Richard Lipsey, vice president of research at Kenco, says that education and training are necessary to better inform the public. According to Lipsey, "The misuse of any pesticide is due mainly to ignorance."

The research department at Ringer Corp. is working extensively on "bio-organic" fertilizing products that work with the natural systems of the lawn. According to Judd Ringer, chairman of the board, the "decomposition process" is part of the whole system. Bacterial and microbial activities must be kept in balance, he says. The organic content of the soil is extremely important.

Ringer believes the technology of many of the new products is hard for the average person to understand. According to Ringer, the retail clerk who is knowledgeable and will take the time to talk to customers will find the consumer has a real thirst for knowledge. "The older members of our population and the young college-educated in-

continued...

Supplier's view

continued

experts say that the rate of growth of ag chemicals will be no more than one percent. He said that the introduction of a new agricultural pesticide requires a lead time for research and development of seven to eight years. A survey of 15 manufacturers, he said, showed that the average investment by a company for R&D to develop one new product would be $20 million.

He outlined some effects that the slow growth imposed by the economics of agricultural chemicals could have on the lawn and garden segment.

"There are two things, which we in the home, lawn and garden chemicals business must face up to as factors influencing the future of our business. One, new chemicals will be developed for the big crops, the major markets, period. If a new chemical doesn't fit into small grains, soybeans, cotton or corn production, for example, it's highly questionable that any manager will make the decision to develop the materials as a commercial product.

"Two, research, from start to finish will, in my opinion, become more market driven in the future, as opposed to research-driven as in the past. This means that pesticides will become more target specific, designed to control special pest problems and to establish unique markets.

continued

Some of the newer products

Insecticidal soap: In 1976, Agro-Chem Ltd. was founded to commercially develop a scientific discovery made by Canadian scientist George Puritch. He discovered that certain fatty acids from which soaps are made are highly insecticidal, yet non-toxic to humans and pets. Since Puritch's initial discovery, much progress has been made and now a whole line of soaps is available to combat such pests as insects, fungi, algae and moss.

Biological insecticides: Since the introduction of Bacillus Thuringiensis, which has proved very effective on most types of caterpillars, several other biological controls have been introduced, or are about to be. A biological control specific to mosquitoes is available from Reuter Laboratories. They also market a natural control for grasshoppers and one for crickets.

Attractants: Pheromones, or natural sex lures, have been isolated or synthesized. These are used to attract specific pests. In many instances, these lures are used strictly to determine the population of that insect in order to decide when to spray. In other cases, the pheromones are combined with a sticky substance on a bar or stick to control an insect population.

Predators: Some of the common predators, such as ladybug beetles and praying mantis, are available commercially. These predators are quite specific and can give good control.

A problem with using predators as a control is that host pests must be present in sufficient quantities to keep the predator happy. In other words, if the predator does too good a job, it will go elsewhere or die, and a pest buildup will probably cause excessive damage before the predators get re-established.

Also, a small amount of infestation and damage will have to be tolerated.

Specific uses: Another control approach is Monsanto's Glyphosate (Round-up), which many consider indicative of the new wave of products. Glyphosate, though not labeled organic, is non-selective but has a very specific use. It is used to kill all plants with which it comes in contact.

Because of its chemical makeup, it is bound up in the soil and becomes non-available to plants or the environment almost immediately after application.

Glyphosate came about as a result of Monsanto's search for less toxic, safer products. Monsanto packages Round-up in one-quart containers for the retail trade. The product is also available in various concentrations and under labels from several different packagers, licensed by Monsanto.

dividuals want safer products," says Ringer.

This population group will soon constitute a large portion of the population, and with the median age of avid gardeners at 45 to 54, population trends predict favorably the future of gardening in general.

This population peaked in numbers and percent of the total in the mid-1970s and dropped before bottoming out in 1983. But, the 45- to 54-year-old segment began increasing again in 1984 and will rise sharply in the early 1990s when the first of the baby boomers hit this age bracket.

It is a market that will be influenced by new scientific discoveries, by the profits that the major manufacturers gain, by the trade associations of chemical manufacturers, by controls and potential controls by governments, by environmentalists, by mail-order marketers, by publications directed to home gardeners, by extension horticulturists associated with agricultural and land-grant colleges and by the specialty lawn and garden retailers.

In short, the whole market for pest-control products is one that promises growth to meet the needs of increasing urban populations. Lawn and garden retailers and suppliers will have a significant impact on the rate and direction of growth.

The public's quest for speed, reasonable cost and effective control will be factors that will be weighed along with the questions of safety and potential damage to the environment. □

Supplier's view ...continued

"The marketplace itself will increasingly dictate what's to be synthesized. For example, there's a need for a post-emergence grass herbicide to be used over soybeans. Let's see if we can develop one, rather than starting out with the synthesis of a new herbicide, then screening it over various crops to see where it fits. Or, how about developing a systemic fungicide that can be applied as a seed treater to control rust in wheat, rather than inventing a new fungicide and then seeing if there is a market? Very specific, and it makes a lot of sense to me."

'New synthetic pyrethroids'

"What are some of the 'new special pesticides' under development? Examples of some of these materials include the new synthetic pyrethroids. There are already successful ones on the market. Ambush, Pounce, Pydrin you're familiar with them and there are rumors that as many as an additional dozen are now being developed. Some are designed to be applied as low as four to five grams per acre. Many show lower toxicity to bees and fish and are very effective against spider mites.

"I believe these synthetics will have a significant impact throughout the remainder of the 1980s, and I expect continued demand for them."

Some suppliers and retailers are reporting good sales of four-inch plants throughout the summer.

New hype for summer gardening?

■With two consecutive years of late, wet springs, retailers and suppliers of gardening products are entering spring 1985 with their fingers crossed and high hopes of seeing a long, warm spring with seasonal showers.

But some are doing more than just hoping. They are planning to promote sales of bedding plants with new strategies in mind, strategies that include marketing quick-growing bedding plants *throughout* the growing season.

By revising seeding schedules, some suppliers will have plants available in June and July for retailers to sell throughout the summer. And according to those retailers and suppliers who have tried this strategy before, the plan really works.

Comments gathered by the 1984 annual survey conducted by Bedding Plants Inc. reflect the respondents' evaluations of their current market conditions and their intentions for the next season.

"I sold into August, a first; planned for later sales, so plants were the best looking around," said one respondent, who obviously believes in promoting later sales.

"Still selling 4-inch impatiens, caladiums, begonias, coleus and larger pots of petunias, ageratum, impatiens, geraniums and latana," said another respondent, whose response was dated July 26.

Still others commented, "July 10, and I didn't cut my price; still selling packs briskly. I believe too many garden centers cut their prices too early." Another response, dated July 20, stated, "Still selling 2,000 pots of 4-inch plants a week."

And according to BPI study analyst, Alvi Voigt, bedding plant volume figures are a good single indicator as to the total success of a garden center. "Let me see their displays of bedding plants or the sales data showing the volume of bedding plants, and I can tell you how they are faring as a garden center," says Voigt. "Garden centers that are having more rapid sales increases almost invariably target in on bedding plants."

Voigt, an agricultural economist at Pennsylvania State University, further explains, "My hypothesis is that as bedding plants go, so go some of these garden centers....Bedding plant sales volume is a good litmus test."

Voigt may only be hypothesizing, but it is a well-known fact that bedding plants, especially those in bloom, are excellent traffic builders in the spring. So, now some progressive retailers are also using them to extend the season into the summer, a season previously thought of as a down season by many segments of the lawn and garden industry.

While many other products have seen their ups and downs, bedding plants have consistently produced a steady growth curve for more than a decade. Color in the landscape has been a rallying point for the marketers and retailers who need to give their sales a new stimulus from time to time; extending the season through sales of bedding plants may just be that stimulus.

And from a retail viewpoint, the bedding plant market also means longer tie-in sales of large colorful planters, potting media, watering equipment, fertilizer, chemicals and other supplies. If sales of these bedding plants are made in the summertime, sales of supplies and accessories will be stimulated as well.

Through a little advance planning, timely reseeding and the development of new marketing strategies, later sales of bedding plants may just be the answer to extending the season, keeping the customers coming and making up for long, wet springs. □

Average price increases

	Per Flat		Per Pack	
	Cents	Percent	Cents	Percent
1982	.60	9.9	.14	10.6
1983	.66	13.7	.17	7.5
1984	.60	6.9	.12	7.0

Source: 1984 annual BPI study

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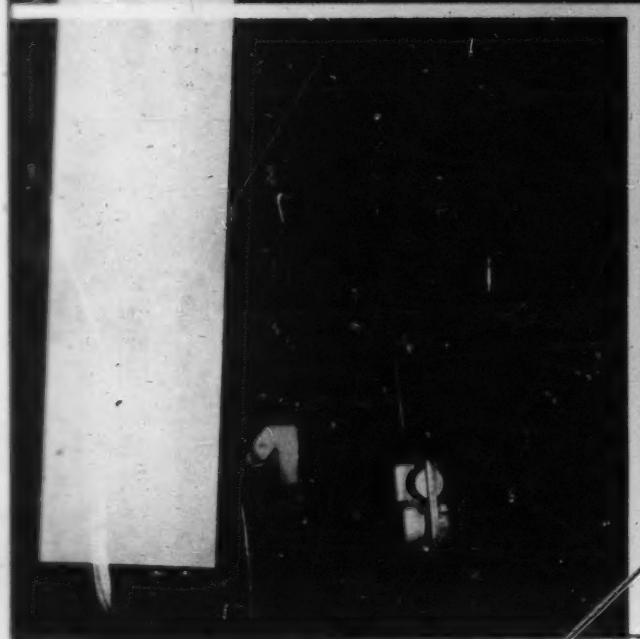
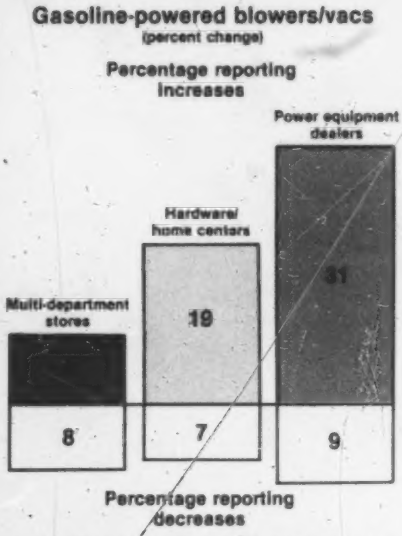
Lawn&Garden Marketing

APRIL/MAY 1985

Reports on: • Productivity problems

• Rodenticides • New consumer data





8 **Cover story:** Retailers reporting increased sales of gas-powered blowers/vacs credit a greater consumer awareness.

20 **Of a consumer gardening panel, 81 percent said they purchased tools and accessories in fall 1984.**

APRIL/MAY 1985 VOL. 24, No. 4 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.

6 **Product Movement Report.** Replacement parts lead all in 1984-85 winter sales data.

8 **Fall's best sellers:** A two-part report, based on a new LGM survey.

9 of 12 power equipment categories show increases.

8 categories up, bulbs lead all. A report on lawn and garden supplies and accessories.

18 **Fall planting gains.** Participants in the Fall Is For Planting program report on 1984 fall sales season.

20 **Panel of gardeners report purchases.** Consumer data from a *Better Homes & Gardens* survey of readers shows their fall gardening activities.

26 **"Improve productivity."** Productivity problems and the distributor of the 1990s were topics addressed at the fifth annual OPEDA meeting. Taylor Boyd is new president.

46 **Managing co-op profitably.** A look at how to begin using co-op by contributing author Al Larranaga.

54 **Expo updates announced.** Details of seminars, speakers and the new Show Daily.

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Coming in June: Winter merchandising • Floor planning for outdoor power equipment products • ABCs of Watering Products.

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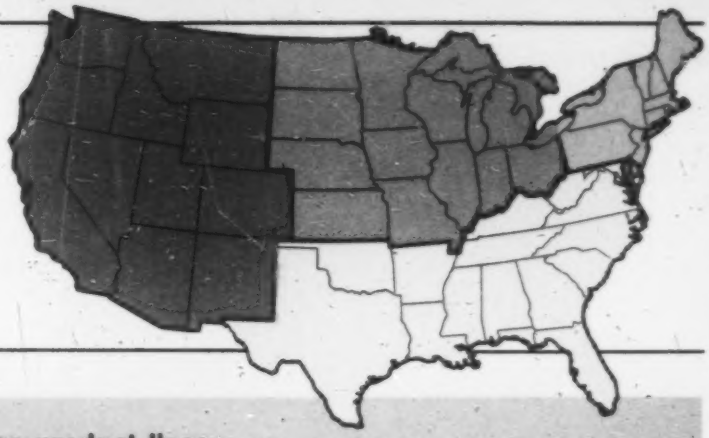
Product Movement Report winter 1984-85



■Retailers reported sales in five of seven product lines for winter 1984-85 were up from the previous year according to a survey by **Lawn & Garden Marketing.**

Replacement parts showed the strongest growth of any product. Almost 42 percent of retailers reported sales up and only 6.8 percent said they were down. The figures indicate a continued interest in repairing power equipment rather than replacing it.

All three categories of replacement parts retailers indicated sales were up, but the most dramatic increases were reported by power equipment dealers. More than 56 percent said sales for replacement parts were up, and only 8.7 percent reported sales were down.

Indoor plant food sales increased nationally with 27.5 percent of the survey respondents reporting sales were up. Only 7.9 percent indicated lower sales, and more than half said sales remained the same.

Birdfeeders also continued to show increased sales. More than 35 percent of the retailers reported sales were up while 9.6 percent said sales were down. The best regional sales were reported in the North Central where 47.7 percent reported sales up. Because of the extreme cold in that area, part of the increase may be attributed to the weather.

Retailers also indicated sales of trim-a-tree products were up. Nationally, 23.6 percent of the retailers said sales were up while 9.6 percent said they were down.

The Northeast, North Central and West all had retailers reporting a downturn in kerosene heaters. The percentages ran close to the national figures in the North Central and West, but sales appeared to be much worse in the Northeast; the South was the only region where more retailers reported increased heater sales than decreased. In the South, 25.6 percent said sales were up, and 18.0 percent said they were down. The unusual cold may have contributed to sales in the South.

Power equipment dealers reported the weakest sales with 9.2 percent saying kerosene heater sales were up, and 24.0 percent saying they were down.

Snowthrowers continued to be a strong seller with 27.7 percent of retailers indicating increased sales, and 12.5 percent indicating decreases. The strongest increases were reported in the North Central and Northeast.

Tractor attachments was the only other product line not to show an increase in sales. Nationally, sales remained steady and the trend was similar in each region except the West.

Overall sales for winter in all product lines except kerosene heaters appear to be at least holding steady, and in some regions even heaters appear to be doing better. □

Seven product lines measured

		TOTAL %	NORTHEAST %	N. CENTRAL %	SOUTH %	WEST %	
Plant foods	Up	27.5	19.5	23.3	33.3	37.5	↑
	Same	53.3	63.4	57.8	45.5	43.8	
	Down	7.9	4.9	7.8	7.6	12.5	
Birdfeeders	Up	35.4	29.3	47.7	31.9	15.6	↑
	Same	31.0	31.7	27.8	33.3	34.4	
	Down	9.6	4.9	6.7	13.6	15.6	
Trim-a-tree	Up	23.6	29.3	26.7	13.6	28.2	↑
	Same	15.3	12.2	20.0	16.7	3.1	
	Down	9.6	12.2	8.9	12.1	3.1	
Kerosene heaters	Up	15.1	8.6	13.6	25.6	10.5	↓
	Same	9.7	7.1	8.0	12.6	13.2	
	Down	26.0	31.4	26.4	18.0	31.6	
Snowthrowers	Up	27.7	37.1	40.0	2.6	21.1	↑
	Same	14.5	22.9	20.8	.....	7.9	
	Down	12.5	24.3	12.0	3.9	10.5	
Tractor attachments	Up	18.0	21.4	20.8	15.4	7.9	↔
	Same	30.2	37.1	24.8	30.8	34.2	
	Down	19.3	25.7	19.2	12.8	21.1	
Replacement parts	Up	41.8	47.1	47.2	38.5	21.1	↑
	Same	37.0	34.3	28.8	44.9	52.6	
	Down	6.8	7.1	5.6	6.4	10.5	

Because of multiple responses, percentages do not add up to 100%

Seven product lines sold through four key classes of retailers were measured by **LGM** for this survey.

FALL'S

9 of 12 OPE categories show increases

■"I probably could have sold a couple of hundred leaf blowers had we not broke stock on them so soon," said one multi-department store manager.

"Backpack blowers sold!" said a garden center owner. And, "Our leaf blowers were up," commented a power equipment dealer.

These are just some of the typical comments on 1984 fall sales of portable power blowers/vacuums received from respondents to an **LGM** questionnaire sent to these three classes of retailers and to hardware/home centers.

Responses to questions about fall sales in various product categories indicated significant sales growth in the category of blowers/vacuums. Some 25 percent of those who carried the product line indicated gas-powered blowers increased in sales; only 8 percent indicated any decreases, and 33 percent said sales of these units were about the same as the previous year. (All percentages reflect only those respondents carrying the particular product lines.)

Yet, proportionately, more power equipment dealers carry the gas-blowers than any other class of retailer, and 31 percent of the dealers indicated their sales were up; only 9 percent indicated any decreases.

One factor contributing to this growth may be simply a greater consumer awareness of the uses and availability of the blowers. "They're just now catching on in this part of the country," says Don Wunder, owner of Don's Small Engine Service, Hartford, Wis.

Wunder, who reported sales had increased in his operation, says, "I've even sold some to car dealers who use them to blow snow off their cars."

J. Bachtig, president of Valley Tools Inc., Jefferson Valley, N.Y., credits the nationwide sales increases to the availability and appeal of the backpack blower, which he says has provided "tremendous ad-

continued on page 12...

8 categories up, bulbs lead all

■"Live outdoor plant sales were up," said one North Central garden center respondent. "Bulbs and related items were up; overall, gross sales for the period were up."

Comments like these were indicative of many responses to an **LGM** questionnaire about 1984 fall product sales. Questionnaires were sent to multi-department stores, garden centers, hardware/home centers, and outdoor power equipment specialty retailers. (Data from the OPE retailers is in a separate report in this issue.)

Results show that bulb and bulb fertilizer top the list as two of fall's fastest-growing product categories. Thirty-seven percent of the respondents indicated fall sales of bulbs increased, and only 6 percent indicated decreases. (All percentages reflect only those respondents carrying the particular product lines.)

Fifty-six percent of the garden center respondents, however, indicated increases, and only 7 percent indicated decreased sales of bulbs.

Perhaps one factor contributing to the overall growth in bulb sales may be decreases in prices, says Norman Welch, manager of Family Tree Garden Center, Boston.

Welch, who indicated an increase in sales of bulbs at Family Tree, says that bulb prices have gone down substantially over the last few years, and a "25-30 percent retail price reduction" has encouraged the public to "discover" fall planting. Prices have dropped due to a number of factors, including the value of the dollar compared to foreign currencies, says Welch.

Bulb fertilizer increased in sales also, said 37 percent of the respondents; only 8 percent indicated any decreases. And 52 percent of the garden centers, which account for

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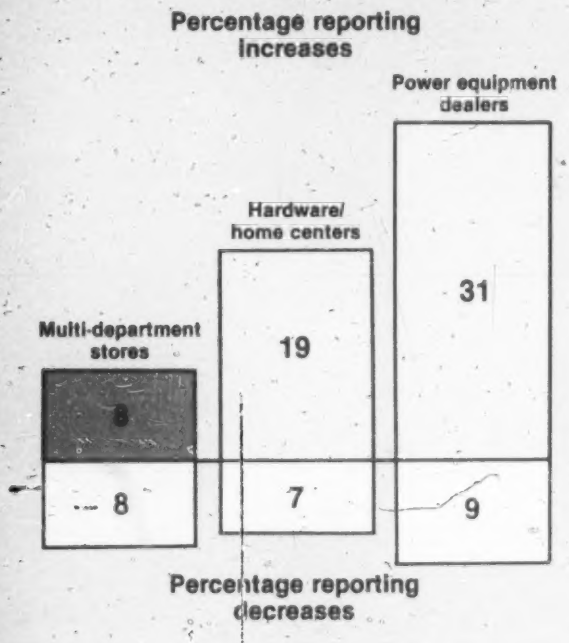
BEST SELLERS

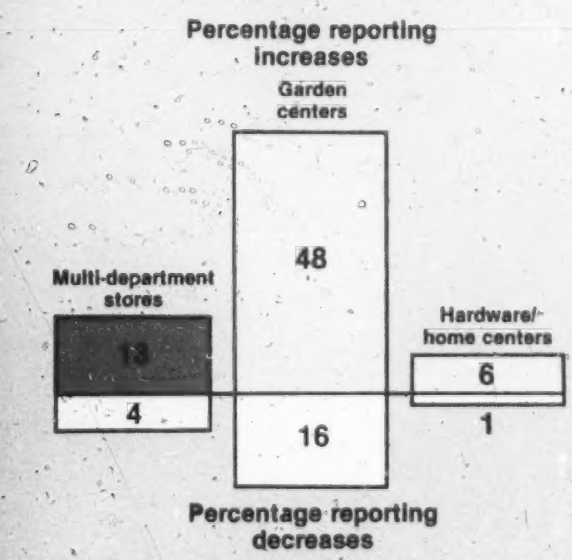
Gasoline-powered blowers/vacs
(percent change)



Products handled, power equipment
(% carrying)

	Multi-dept. stores	Hardware/ home centers	Power equip. dealers
Electric blower/vacs	58%	68%	44%
Gas-powered blower/vacs	42	48	78
Chainsaws	46	76	85
Saw chain replacement	46	74	83
Snowthrowers:			
electric	38	28	25
single-stage	33	40	60
two-stage	33	34	67
Snowthrower replacement parts	25	29	68
Lawn & garden tractors	42	48	87
Batteries for lawn & garden tractors	42	43	93
Spark plugs and ignition components	58	76	99
Replacement parts	58	65	99

Tree sales (percent change)



Products handled, supplies and accessories
(% carrying)

	Multi-dept. stores	Garden centers	Hardware/ home centers
Indoor plants	46%	65%	15%
Planters:			
clay	46	83	57
ceramic	50	71	47
plastic	63	78	60
Plant foods	67	97	85
Potting media	63	97	74
Plant lights	38	52	58
Trees	33	92	12
Shrubs	33	90	14
Bulbs	50	90	39
Blood meal	42	65	68
Bulb fertilizer	42	97	60

Bulbs

...continued

the greatest percentage of those carrying the product line, indicated increases; only 9 percent reported decreases.

Blood meal sales increased in sales said 17 percent of the respondents; 11 percent said they experienced decreases.

Demand for large trees, shrubs

Twenty-eight percent of the respondents indicated increased sales of trees in the fall; only 9 percent indicated decreases. Again, garden centers topped the list here, with 48 percent indicating increased sales and 16 percent indicating decreases.

Again, nationwide, trees and shrubs sales were up due to a number of factors, mostly weather-related. "Due to the mild fall, the tree and shrub sales season was prolonged a little," summed up one Northeast garden center.

However, increased consumer awareness of fall planting is definitely a factor, say many. Even Welch, who says his company is not a member of the promotional program, Fall Is For Planting, readily admits, "I know we have benefited from the program."

In the indoor plant and accessories categories, fall sales were also up. Commented one southern store manager, "With our two hardware stores, we found that we had an increase in urban gardeners; we increased sales of planters and potting soil."

Potting media and plant food sales appear to have a stronghold in fall sales. Thirty-five percent of the respondents indicated fall sales of potting soil were up, and 27 percent of the respondents indicated sales of plant food were up. Garden centers again reported the highest increases in plant food sales, with 35 percent reporting increases and only 10 percent reporting decreases.

Other categories showing increases were indoor plants and some planters. Overall, 17 percent indicated increases in sales of indoor plants, and 7 percent reported decreases.

Although clay and plastic planters remained at least steady sellers, ceramic planters did decrease in sales. Overall, 15 percent reported increases in clay, and 17 percent increases in plastic planter sales; 13 percent reported decreases in clay and 14 percent decreases in plastic planter sales.

But in ceramic planters, 13 percent reported decreases and only 6 percent reported any increases.

One reason for this decline in ceramic planter sales may be due to some amount of maintenance needed compared to plastic planters, says Erwin Wildermuth, president of Almaden Valley Nursery, San Jose, Calif.

There is a certain level of maintenance involved with keeping ceramic (as well as clay) planters saleable, compared with the almost maintenance-free plastic planters, he says. "Ceramic, as well as clay, pots attract algae," says Wildermuth. "They also need more watering than plastic. And when left alone for long, clay turns green with algae; plastic is smooth and algae will not form on smooth surfaces."

One product category reflecting decreases in sales all around is plant lights. Only 10 percent indicated increases, whereas 14 percent indicated decreases. Multi-department stores reported the most decreases: whereas 4 percent reported increases, some 17 percent indicated decreases.

Wildermuth speculates the decreased sales of plant lights may also have to do with the customer's perception of maintenance. If a customer is given a choice between a low-maintenance plant (one that can bear lower temperatures) and one that requires constant higher temperatures (and possible use of a plant light to maintain those high temperatures) that customer will choose the low-maintenance plant, he says.

Despite some decreases in some product categories, all three classes of retailers indicated increases in most. Futhermore, many indicated that they are planning to expand certain lawn and garden lines for the fall 1985 selling season.

Some 32 percent of garden center respondents indicated they were planning to expand in some categories; only 11 percent were planning reductions. Twenty-nine percent of the multi-department stores and 18 percent of the hardware/home centers indicated they were planning expansions; only 8 percent of the multi-department stores and 6 percent of the hardware/home centers were planning reductions.

Flowering bulbs, planters, trees and shrubs, as well as "general expansion of livegoods" were commonly mentioned as expansion lines planned by all three classes of retailers; no specific product reduction was commonly mentioned. □

Indoor plants and accessories

(% reporting sales changes)

		Multi-dept. stores	Garden centers	Hardware/ home centers
Indoor plants	Up	17%	26%	6%
	Down	12	10	2
Planters:				
clay	Up	8	22	9
	Down	8	16	12
ceramic	Up	.....	9	4
	Down	21	15	9
plastic	Up	17	20	12
	Down	.....	20	11
Plant foods	Up	8	35	23
	Down	8	10	6
Potting media	Up	21	45	28
	Down	4	9	3
Plant lights	Up	4	11	9
	Down	17	15	13

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continued from page 8

vantages over the old wheel-type blowers."

Although electric blowers did not show as significant a sales growth as the gas-powered blowers did overall, hardware/home centers say they sold well there. Some 26 percent of hardware/home centers indicated increases, significant because proportionately more of these retailers carry electric blowers than any other class of retailer.

Overall, however, only 16 percent indicated sales increases of electric blowers, and 10 percent indicated decreases.

Some say the increases in the blower sales may be due to the many commercial users of the product and the consumer awareness generated from seeing that product in commercial uses.

M.D. Brackman, owner of B&B Distributing Co., Hattiesburg, Miss., a wholesale distributor of outdoor power equipment, says he has noted a rapid increase in the use of blowers, due in part to the public seeing them in use by commercial groundsmen. For example, at the University of Southern Mississippi, eight gas-powered units are put into use after each football game, he says.

Brackman's on Broadway, a retail outlet serviced by B&B Distributing, even found surprising sales clout from women in garden clubs to promote electric leaf and litter blowers. The leader of an organization that administers 15 different women's garden clubs in Hattiesburg told the merits of one particular electric blower model, the 600 Green Machine, to club members. As a direct result of her endorsement, the store sold more than 65 of the blowers to club members.

"Snowthrowers saved our bacon!"

In other product categories, responses indicate that although sales of electric snowthrowers were down overall, sales of single- and two-stage snowthrowers were up significantly.

Overall, only 6 percent indicated increases in electric snowthrower sales, and 11 percent indicated decreases. Yet, more hardware/home centers indicated increases than decreases; 9 percent said sales increased in this category; 7 percent said sales decreased.

But both single- and two-stage snowthrowers increased in sales said 23 percent of the respondents overall. Only 13 percent indicated decreases in both product categories.

Power equipment dealers topped the list here with 28 percent reporting increases and 16 percent reporting decreases in sales of single-stage snowthrowers; 34 percent indicated increases and 15 percent indicated decreases in sales of two-stage snowthrowers.

Snowfall, combined with the state of the economy, played important roles in determining sales volume of these higher-priced products. Yet, another important variable, whether or not snowthrower sales began early in the fall, was revealed in respondents' comments. Those respondents who indicated sales successes point to their foresight of selling in early fall, rather than waiting until November or December.

North Central power equipment dealers had this to say: "From the middle of September through November, snowblower sales were excellent." "Fall sales were normal; if we don't sell snowblowers in the fall, we wouldn't sell many in the winter." "For the first time in four or five years, we sold snowblowers pre-season." And, "Snowblower sales were up slightly, but almost all were sold before the snow season."

And these comments from Northeast dealers indicated the same: "Very busy....Most snowthrower sales started in September before we even received our merchandise (due to good advertising)." "Snowthrower sales saved our bacon!" And, "Snowblowers sold good in fall and up to Christmas."

Bachtig of Valley Power Tools, credits the success of his snowthrower sales to the availability of a lower-priced, $500 unit.

Snowthrower replacement parts also increased in sales, the survey shows. Twenty-five percent of the respondents indicated increases, and only 8 percent overall indicated any decreases. Yet, 34 percent of the dealers indicated increased sales, and only 12 percent indicated any decreases.

One reason for snowthrower replacement parts increases may be due to the kind of snow the 1983-84

continued on page 43...

Gains ...continued

with editorial or special advertising programs or sections; 80 percent said they received no support at all from the local media.

On a national scale, however, editorial coverage of fall planting has been included in such major magazines as *Family Circle, Good Living, HomeOwner* and *Changing Times* magazines. And editorial tie-in coverage on fall gardening and planting has been scheduled for 1985 in *Organic Gardening, Horticulture, Better Homes & Gardens* and *Flower & Garden* magazines.

Comments gathered from respondents clearly indicate FIFP merchandising aids are both needed and wanted.

Comments on the program as a whole ran the gamut. Some responded critically: "We cannot see that your program, as constituted, has any impact on sales."

Some offered suggestions for improvements to the program: "It's hard to compete with football games; maybe some advertising on sports (programs) in the fall would help to get people aware of yard work in the fall."

Most respondents commented favorably about the program. "Keep up the good work; we are seeing the results."

Some respondents suggested the program join forces with the American Assn. of Nurserymen and coordinate promotional efforts with its Nursery Marketing Council.

An overwhelming majority of respondents to the survey (96 percent) indicated they plan to participate in the 1985 FIFP program. □

During fall 1984, 81 percent of the *BH&G* panelists purchased tools or equipment.

Serious gardeners are becoming more active during the fall gardening season. According to a *Better Homes & Gardens* Consumer Panel survey, 81.3 percent of the respondents purchased lawn and garden tools, equipment or accessories during fall 1984. That is up from 73.8 percent in 1983 and from 62.1 percent in 1982.

The survey, sent to 500 members of the 1,000-member consumer panel, received 427 responses. It is a nationwide panel. Participants were asked to indicate the types of activity in eight categories that they engaged in during fall 1984, 1983 and 1982. Overall, each of the eight categories of activities showed gradually increasing percentages of participation during fall 1984 over the previous two years.

Within the tools, equipment, accessories and materials purchased category, leaf bags were the most often mentioned. Nearly 50 percent of the respondents indicated they had made a leaf bag purchase in fall 1984.

Lawn fertilizer was the second most popular buy in all three years with 36.8 percent buying in 1984, 36.5 percent in 1983 and 29.7 percent in 1982.

Hose attachments, sprinklers and accessories and hoses all ranked high on the list of purchases for 1984. Almost 24 percent of the respondents bought hoses, and 28.3 percent purchased hose attachments, sprinklers or accessories.

Respondents ranked purchases of rakes, shovels, pitchforks and hoes fourth on the list with 28.9 percent.

Purchases of pruners, clippers and saws were rather inconsistent over the three year period. The percentage of respondents making purchases jumped from 10.5 percent in 1982 to 17.6 percent in 1983, and dropped to 16.2 percent in 1984.

Purchases of mulches consistently grew in the three years from 10.8 percent in '82 to 14.1 percent in '83 and then up 16.2 percent in '84.

Wheelbarrow or garden cart purchases also fluctuated during the three fall seasons. Purchases started at 10.8 percent in '82 before dropping to only 6.3 percent in '83. Panelists indicated increased purchases in '84 with the percentage rising to 12.4 percent.

The percentage of respondents reporting purchases of bulb fertilizer jumped from 5.4 percent in fall 1982 to 11.0 percent in 1983. The percentage also increased slightly in 1984 to 12.2 percent.

The highest ticket item mentioned in the study was a tractor or mower. The survey indicated sales of mowers and tractors have been steadily increasing from 8.4 percent to 11.7 percent from '82 to '83 and then decreasing slightly to 11.2 percent in '84.

Mower and tractor attachments also showed growth during the three fall seasons. The percentage of respondents reporting purchases in 1982 was 2.3 percent and rose to 4.0 percent by 1984.

The percentage purchasing fence or posts rose to 10.5 percent after

continued...

Panel ...continued

Fall gardening: 3 years

Major gardening activities engaged in by respondents or members of their households

	1984	% change	1983	% change	1982
Grass/lawn	72.1%	3.7	69.6%	20.2	57.8%
Perennials/ground cover	49.2	12.3	43.8	16.2	37.7
Flower bulbs	48.0	.5	47.8	25.9	37.9
Vegetables	40.0	6.9	37.5	10.3	34.0
Trees	66.3	8.0	61.4	33.0	46.1
Shrubs, bushes, hedges, etc.	66.7	12.2	59.5	22.7	48.5
Patio/deck work	27.6	51.3	18.3	14.7	15.9
Purchased tools, equip., accessories	81.3	10.2	73.8	18.9	62.1

dropping to 6.6 percent in 1983. The figure started at 7.5 percent in 1982.

Spreaders ranked twelfth on the list all three seasons showing steady growth from 7.0 percent in '82 to 7.7 percent in '83 and 8.4 percent in '84.

For loppers, hedge trimmers and pole tree trimmers the percentage of purchases remained steady at 8.4 percent in '83 and '84, increasing from 7.0 percent in 1982.

Leaf pick-up and clean-up devices showed significant percentage increases in purchases each of the three years reaching 7.7 percent in 1984.

The percentage of participants indicating leaf bag cart or holder purchases made a leap from 2.1 percent in 1982 to 4.9 percent in 1983 then slacked off in 1984 at 4.2 percent.

Power blowers, which appear to be a growing market, showed a similar trend. Only 1.4 percent of the panelists reported a power blower purchase in 1982, but the figure jumped to 2.8 percent in 1983. In 1984 it leveled off at 2.6 percent.

Bulb sales climb at 15-25% rate

In 1983, worldwide sales of Dutch flower bulbs amounted to $350 million. During that period, 800 million flower bulbs were sold in the United States, a 15 percent increase over 1982. Though figures for 1984 are still being compiled, a further 25 percent increase in U.S. volume is anticipated.

Meanwhile, the Netherlands FlowerBulb Information Center has been established in New York City by the International Bloembollencentrum (Flower Bulb Center) Hillegom, Holland, which represents the country's flower bulb industry.

The new office is central to a major program designed to support and expand the recent increased demand for Dutch flower bulbs in the United States.

"Current penetration in the United States market [of bulb] the number of buying households increased by 8 percent last year. penetration is still low in comparison with other countries," stated G.N.A. Le Poole, director of the International Bloembollencentrum. "The U.S. market is viewed as having vast potential, which we will endeavor to develop through this new program," he said.

The program of the Netherlands FlowerBulb Information Center will encompass trade information services, public relations, advertising, distribution of promotional and sales support material and product information. The new agency will also assume the functions of the New Jersey-based Netherlands Flower Bulb Institute, whose director, Robert G. La Faut, has become special consultant to the International Bloembollencentrum, Hillegom.

The Netherlands FlowerBulb Information Center is located at 230 West 57th Street-Suite 522, New York City, NY 10019.

Ranking second only to equipment purchases in the survey was grass and lawn work. More than 72 percent of the respondents indicated they had done lawn work in fall 1984 as compared to 69.6 percent in fall 1983 and 57.8 percent in fall 1982.

The two highest ranking lawn and grass activities for fall 1984 were applying lawn fertilizer and repairing bad spots in the lawn. Almost 37 percent said they applied a weed treatment during the fall.

About two-thirds of the respondents also indicated they did gardening activities involving trees or shrubs, bushes and hedges.

About 48 percent said they worked with flower bulbs during fall 1984.

The activities, in order of popularity, were planted bulbs in yard, applied mulch, fertilized, treated the soil and potted bulbs for winter bloom.

Forty percent of the respondents also engaged in activities involving vegetable gardening. The most common activity was tilling the soil with 21.8 percent involved.

Almost half of the participants (49.4 percent) also said their expenditures for lawn and garden remained about the same in 1984. Almost one quarter said expenditures increased, and 22.2 percent indicated they were lower. During the fall of 1984, the respondents' lawn and garden expenditures were an average of $187.47 per household.

Although this survey cannot be considered an accurate barometer of the entire market, it does give an indication of fall gardening activity in at least one segment of the market. The participants in the Better Homes & Gardens Consumer Panel are all readers of the magazine, and certain assumptions can be made. Most are homeowners and rather affluent. Considering few use landscape professionals, it appears many are DIYers.

Fall gardening in this market segment appears to be enjoying steady growth overall. All of the eight general categories of fall gardening activities show steady increases in activity. In some categories the growth is quite rapid. Overall, it appears this group of consumers is becoming more aware of and involved in fall gardening. □

What this ad means to you, the retailer.

It means selling a profit-maker.

Growing with the best in the business.

Oxygen Plus® was developed by Roger's Gardens, one of the brightest spots in the nursery trade. Since 1978, this unique plant food – which combines all the essential nutrients with a simple, effective oxygen delivery system to the roots – has been in regular use in their plant shop where it has measurably improved the life, beauty and salability of foliage and flowering plants.

Roger's Gardens

For the past five years, Roger's Gardens has consistently sold an average of 600 units of Oxygen Plus a month.

That can mean only one thing: Oxygen Plus works.

And that's something you can profit from – sale after sale.

What this ad means to your customers.

It means here's a plant food with a unique ingredient that delivers life-giving oxygen to the roots.

All you have to do to grow bigger, greener, more vigorous indoor and outdoor potted plants is fertilize them with Oxygen Plus. Even if you overwater, it's O.K.

That's the message your customers will also get from our exciting television advertising. To help bring you into the picture, we're offering substantial advertising allowances, displays and point-of-purchase materials – including reprints of the full-color ad at the left.

University research and independent studies have shown that Oxygen Plus is beneficial to plants.

And what benefits your customers' plants... ultimately benefits you.

For more information call toll-free 1-800-221-2589 (in Calif. 714-640-9360). Ask for Oxygen Plus sales benefits.

OXYGEN PLUS®

It breathes life into your plants ...from the roots up.

Circle (24) on Reply Card

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OPE

...continued from page 12

winter produced. "Heavy, wet snow is very hard on snowthrower belts and other parts," says Wunder, of Don's Small Engine Service. Wunder, who indicated his sales in this product category were up, says that kind of snow made those snowthrowers already in the marketplace prone to repair in fall 1984.

"Repair: best money maker"

A common comment made by power equipment dealers was that repair work kept them going even if sales of whole goods did not.

A significant increase in sales of replacement parts and in spark plugs and ignition components substantiate their comments.

Spark plugs and ignition components were up, said 42 percent of the total respondents; only 5 percent indicated decreases. And 53 percent of the dealers indicated increases with only 7 percent indicating any decreases.

Also, according to 42 percent of the respondents, replacement parts increased in sales; only 7 percent indicated decreases. Furthermore, 56 percent of the power equipment dealers noted increases, and only 9 percent indicated decreases.

What does this mean? According to many dealers, this means more and more people are deciding to fix up rather than buy new.

"I think price has a lot to do with it," says William Thomas, owner of Indian Hill Equipment Co., Vineyard Haven, Mass. "For example, mowers have been inching up in price, and more people are now willing to repair rather than replace," he speculates.

This school of thought is shared by many, and may be applied to reasons why chainsaws and garden tractor sales did not increase significantly in sales either.

Thirty-one percent of the dealers indicated chainsaw sales were up, yet a full 25 percent indicated sales decreased. And 23 percent of the hardware/home centers indicated increases, but 24 percent indicated decreases. Overall, sales were up, said 27 percent; 24 percent said they were down. Only sales successes by dealers helped sway the balance the other way.

And garden tractors experienced the same kind of sales. Twenty-three percent overall reported increases, and 18 percent reported decreases in sales. Only multi-department stores reported significant sales increases: 17 percent said sales increased; 8 percent said sales decreased.

But the idea that more people are repairing than replacing may only account for part of the answer to leveled sales. Another speculation is that there are so many garden tractors and chainsaws already in the marketplace.

Offers Bachtig, "We had seven to eight years of good sales of chainsaws; now those sales have leveled off and those saws are being maintained; the same with lawnmowers....There are so many lawnmowers out there, we can't keep track of them."

Sales of batteries for lawn and garden tractors did increase, which may substantiate this theory. Twenty-five percent indicated increases, compared to the 10 percent who noted decreases. But some 34 percent of the dealers responding indicated increases and 13 percent indicated decreases.

In all, total responses from all four classes of retailers, do indicate that sales of these lawn and garden products did well in fall 1984. Some respondents even indicated they are planning major product expansions for the 1985 fall selling season.

Although, 71 percent of the multi-department stores, 80 percent of the hardware/home centers and 66 percent of the power equipment dealers said they were not planning any substantial expansions or reductions (of 15 percent or more) in inventory of lawn and garden products for the fall 1985 sales season, about one-third of the respondents indicated they were. Twenty-nine percent of the multi-department stores were planning major expansions; 8 percent were planning reductions. Eighteen percent of the hardware/home centers were planning major expansions; only 6 percent were planning reductions.

And 29 percent of the power equipment dealers indicated they were planning major expansions; 12 percent indicated reduction plans.

Forecasts one power equipment dealer: "1985 looks promising.... Sales should be good, offering a 15-20 percent increase." □

How home centers rank lawn and garden

■Although most home centers have committed considerable space and dollars to lawn and garden departments, a recent study reveals that in terms of turns, sales per square foot and other measures of departmental productivity, lawn and garden is not at the top of the list.

The National Retail Hardware Assn. sent confidential mail questionnaires to retail home centers with sales of at least $500,000 and sales floors of at least 8,000 square feet. The 163 usable responses were used to prepare a report titled *The Bottom Line.*

The report is a detailed financial operating report for retail home centers that are geared to generate sales of more than $1 million at maturity. In a departmental breakdown, lawn and garden was reported to be a part of 81.9 percent of the operations.

In home centers that handle lawn and garden products, sales of lawn and garden appear to be a significant and profitable department but not the most profitable. Home centers handling the department report that 12.8 percent of net sales come from lawn and garden. The department does, however, take up 20.5 percent of the inside sales area. This translates into $89.53 per square foot of sales area.

Although difficult to compare because not all the surveyed home centers carry lawn and garden products, it seems lawn and garden provides the lowest dollar sales per square foot of sales area.

The lawn and garden department also makes up 13.2 percent of the handling firms inventory and 15.9 percent of the cost of goods sold.

The average store profile shows data for a home center handling all departments in the report and allows a comparison of the relationships among departments within a single operation.

Using these figures, results are similar to those obtained from the raw percentages. In an average store profile, lawn and garden products make up 9.4 percent of sales and occupy 16.6 percent of the sales area. It also comprises 9.8 percent of the total store inventory and makes up 11.5 percent of the cost of goods sold.

The profile also indicates that although the lawn and garden department includes the greatest percentage of floor space, it ranks only fifth of 14 departments in terms of percentage of net sales. It also ranks third in the percentage of cost of goods sold; only lumber and building materials have a higher percentage of cost of goods sold.

A typical store profile showing the percentage of gross margin, the sales to inventory ratio and the gross margin return on investment also places lawn and garden in the middle of all departments based on these measures of productivity.

Lawn and garden products contribute a gross margin of 29.5 percent. That ranks lawn and garden ninth among the 14 departments measured. Although it is in the bottom half of the ranking, lawn and garden still maintains a respectable gross margin percentage.

A second measure of a home center's productivity is the sales to inventory ratio. This ratio is obtained by dividing net sales by average inventory at cost. Lawn and garden has a sales to inventory ratio of 5.2 times, which places it fifth.

This ratio also should not be considered alone. The gross margin return on investment (GMROI) allows evaluation of departmental performance using both the gross margin and sales to inventory ratio. The GMROI is computed by taking the margin percentage times the sales to inventory ratio. It allows evaluation of performance across diverse merchandise lines.

The report gives lawn and garden a GMROI index of 1.55. This means for every $1 invested in lawn and garden inventory a home center earns a margin of $1.55 in return.

Using this measure, lawn and garden remains in the middle among departments. It ranks eighth using GMROI, between paint and home decorating with the high GMROI of 2.14 and major appliances and home entertainment with the low of .91.

The report does not indicate lawn and garden is an outstanding performer, but it does show a steady performance using any of the measures.

To obtain a copy of the NRHA *The Bottom Line* for retail home centers, *The Management Report* for retail hardware stores or *The Lumber/Building Materials Financial Report* for operators with a retail sales floor, contact Bradley T. Farnsworth, director of research services, or Pamela L. Haller, information services coordinator, at NRHA, 770 N. High School Rd., Indianapolis, IN 46224, (317) 248-1261.

The first copy of each is $20, each additional copy is $3. □

Average Home Center Profile

Lawn and Garden Dept.*

*Based on home centers which carry all of the 14 product categories measured.

C4725-2A

Lawn&Garden Marketing

JUNE 1985

Reports on: Winter sales

• Financing inventory • Watering equipment

A20800----SHWEA5200 XXXXX LGN
F001006200000000XLB NY2
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CONGRESSIONAL INFO SERV
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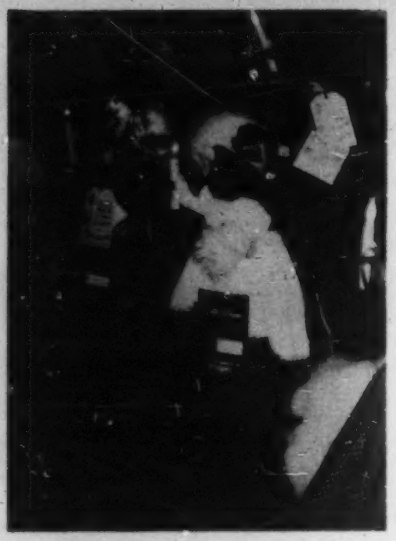
BETHESDA MD 20814

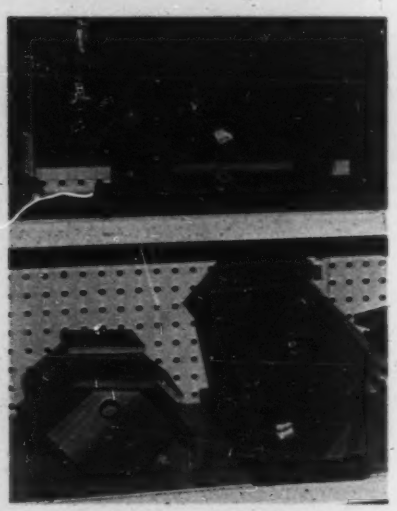
JUNE 1985 VOL. 24, No. 5 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.



6 **Little People** proved to be a good Christmas item for one New Jersey retailer who sold more than 500 units.



14 **Birdfeeder sales** were up during winter 1984-85 said 35 percent of the retailers responding to an **LGM** survey.

6 **Think gifts.** A report on how retailers can use power equipment and other high-ticket merchandise to get their share of the Christmas season bonanza.

8 **New study from NOEL analyzes trim-a-tree space, dollars.** Investments by garden centers and other retailers in several categories of decor are studied by the National Ornaments and Electric Lights Assn.

14 **Winter sales report.** An **LGM** survey reports 1984-85 winter product sales in 10 categories and plans for the coming year.

18 **Financing inventory: What's your strategy?** Contributing author Steve Trusty discusses the various financing options, including floor planning and dating programs, now available to dealers.

34 **Gavin to keynote NHS.** "A Step Ahead" will be the keynote address given by Ace Hardware president Lawrence R. Gavin.

34 **NMC nears $400,000 mark.** A preview of the report to be presented at the annual AAN Convention and Nursery Growers' Expo in July discusses the successful funding and new marketing strategies of the Nursery Marketing Council.

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Coming in July: Previews of Louisville Expo, National Hardware Show and GIA Show • Selling landscaping decor • ABCs of Barbecue grills.

Cover photo and design by Anita Blattner.

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Winter Sales Report

Data on sales and outlook, based on an *LGM* survey, covers trim-a-tree, snow-removal equipment, logsplitters, birdseed and feeders, and more.

■Overall, the 1984-85 winter merchandising season produced improved sales compared to the previous winter, and many retailers even say they are planning major expansions in some winter lines this season.

Twenty-one percent of the power equipment dealers, 18 percent of the garden centers, 17 percent of the multi-department stores, and 14 percent of the hardware/home centers indicate they are planning major expansions (15 percent or more) in winter inventories for 1985-86.

This data is based on an **LGM** questionnaire sent to these four classes of retailers. Retailers were asked to indicate sales changes in their winter inventories over the previous season and comment about plans for next winter.

Of the garden centers that plan to expand their inventories, poinsettias and birdseed were the commonly mentioned products involved in the expansion. Power equipment dealers expressed a desire to increase the number of snowthrowers carried.

Traditionally, the weather has the greatest influence on the success of winter lawn and garden product sales. Cold temperatures and snow promoted the sales of birdfeeders and kerosene heaters in some areas, while a lack of snow hurt sales of many products in other areas.

Birdfeeders and birdseed showed the biggest sales increases. More than 35 percent of the retailers carrying birdfeeders reported increased sales while only 10 percent said sales decreased. Birdseed followed a similar pattern with 38 percent indicating increased sales, and 13 percent indicating decreases.

Regionally, North Central retailers showed even larger percentages of increases. Almost 48 percent in the North Central said birdfeeder sales were up, and 50 percent reported better birdseed sales. "Birdfeeders, birdfeed and all associated items were big sellers," said one North Central garden center. "We sold, as of Feb. 18, over 60 tons of birdseed, thousands of dollars of feeders. The trend is up."

Many North Central retailers made similar reports but also indicated sales did not pick up until snow came late in the season. "Winter (sales) are totally reliant on the amount of snowfall for birdseed sales," said another garden center. "When there is no snow cover, people tend to let birds fend for themselves. We had no snow cover until Jan. 10 and then really got it. From then on, sales picked up."

Extreme cold also helped improve kerosene heater sales in some areas,

continued...

although it was unable to change the national trend. The trend in kerosene heater sales continued downward.

Nationally, 15 percent of retailers reported sales were up, and 26 percent reported them down.

According to Izuru Nakamura, president of Toyotomi America, the heater manufacturer shipped almost double the previous season's volume to its distributors in the United States. "Moreover, shipments were not limited to narrow geographical areas," he said. "This was because extreme temperatures hit so many sections of the country."

The South, however, was the only region to indicate an increase in kerosene heater sales where 25 percent of retailers reported sales increases, and 18 percent reported decreases.

"The weekend of Feb. 3, an ice storm in southern Tennessee and northern Alabama cut power and made people desperate for a back-up system," said Johnny Moore, executive vice president of distributor Garrett-Moore, Nashville, Tenn. "Emergency calls from 25 dealers resulted in our shipping out almost 500 units from our warehouse and Toyotomi. We even got the Tennessee and Alabama Highway Patrol to escort our trucks on roads closed to normal traffic."

Weather was not the only factor in kerosene heater sales. One Nebraska power equipment dealer reported he thought actual heater sales profits were down because retailers dumped their inventory at well below retail costs. "This should be about the final year of distress merchandising," he predicts. "By next year, this product should once again be sold at retail prices reflecting a small profit."

Manufacturers also believe new cleaner-burning kerosene heaters on the market will improve both consumer trust and product sales.

One southern garden center blamed weaker sales of trim-a-tree products on the weather saying, "The weather stayed warm too long. I feel it kept people from getting into the Christmas spirit." But weather was not really a major factor in sales of this product line, arts and crafts or pet supplies. All three categories reported improved or steady sales.

Almost 24 percent of retailers reported increases of trim-a-tree sales, and 10 percent had lower sales.

For arts and crafts, garden centers followed the national trend exactly. Eight percent of garden centers and of all retailers indicated higher sales while 4 percent said sales were down. The other classes of retailers followed similar patterns.

Sales of pet supplies appear to be significantly higher in all regions and in garden centers and hardware/home centers. Only in the multi-department stores did retailers indicate steady sales. Nationwide, 19 percent of all retailers said sales were up, and 4 percent reported them down.

Sales of both snow shovels and melting compounds are affected by weather, and both showed national sales increases. About 14 percent of retailers told of more snow shovel sales, and the same percentage reported better melting compound sales. Almost 7 percent indicated lower snow shovel sales, and 6 percent said they sold less melting compounds.

Some retailers indicated they could have sold more snow shovels, but their areas do not usually get much snow, so they did not carry many snow shovels.

The only product besides kerosene heaters to show a downward trend during winter 1984-85 was logsplitters. Only 6 percent of retailers reported increased sales, and 20 percent reported decreased sales. The trend continued in every region, with the worst sales reported in the West. Both multi-department stores and power equipment dealers stayed in line with the national and regional trends. Only hardware/home centers held steady.

Artificial Christmas trees was one product line in which there was some variety among results. About 28 percent of the garden centers, 35 percent of the hardware/home centers and 75 percent of the multi-department stores carry artificial trees.

About 83 percent of the multi-department stores reported their best-selling trees sold for about $35 to $99. About 79 percent of the hardware/home centers said their best-sellers fell into the same price range.

A significant difference in the most popular prices for artificial trees occurred in garden centers. In garden centers, about 54 percent of the retailers reported their most popular trees sold for $50 to $124. An additional 16 percent said the most popular range was $125 to $149, and 19 percent indicated the most trees sold in the range from $175 to $199. □

Snowthrower sales
(% reporting sales changes)

		Multi-dept. stores	Hardware/home centers	Power equip. dealers
Snowthrowers: single-stage	Up	17%	15%	28%
	Down	8	19	16
two-stage	Up	21	17	34
	Down	8	8	15
Snowthrower replacement parts	Up	4	13	34
	Down	4	2	12

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Lawn&Garden Marketing

AUGUST 1985

Reports on: • Portable blowers and vacs

OPEI outlook • Changes in marketing chemicals

MHS special report

Seeking

Price-sensitive products

for image and profit

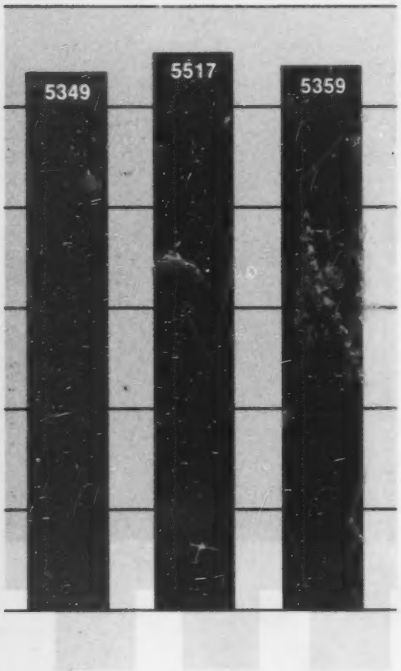
page 6

AUGUST 1985 VOL. 24, No. 7 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.

6 Cover story. Industry leaders describe factors that make products price-sensitive.



16 OPEI members project 1985 unit shipment increases.

6 National Hardware Show features

Seeking price-sensitive products for image and profit. Industry leaders provide NHS buyers with insight into recognizing, selecting price-sensitive products on page 6.

Distribution changing: topic for NHS keynoter. Lawrence Gavin as keynote speaker, other seminar speakers and exhibit hours are highlighted on page 28.

Companies exhibiting. Lawn and garden exhibitors and their booth numbers are listed on page 32.

Products at the NHS. More than 100 products to be found at the NHS are described on page 42.

16 OPE shipments to pass 5-year record. According to the 1985 OPEI survey, walk-behind shipments are expected to pass the 5-million unit mark for the first time in five years.

24 OPE future linked to deficits, innovations. Economic forecaster, Marvin Cetron, addressed manufacturers at the annual OPEI meeting.

73 Yellow Pages and co-op can boost sales. In this month's Advertising column, executive director of the American Assn. of Yellow Pages Publishers discusses how retailers may be missing out on sales potential.

74 Pesticide distribution changes. Ortho takes steps to prevent "conflicts of interest" by distributors. By Steve Trusty.

76 Product Movement Report. Replacement parts continue to show significant increases and rotary tillers decline in sales, according to an **LGM** survey covering spring sales.

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Coming in September: Spring sales planning • Checklist for planning 1986 merchandising strategies • ABCs of Batteries • Supplement on Pikes Nursery of Atlanta • Designing garden centers

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OPE shipments to pass 5 year record

Shipments of walk-behind mowers for the first time in five years are projected to surpass the 5 million unit market. All other outdoor power equipment lines, except tillers, move up, too.

■Capping a five-year trend, rear-engine riding mower shipments have topped 359,000 this year, meeting the projections set last year by the Outdoor Power Equipment Institute.

But the trend is likely to end next year, as shipments for the high-ticket items, and other power equipment, are expected to decline.

The mixed news was part of the OPEI's annual outdoor power equipment industry outlook. The data were presented in June at the OPEI's annual meeting.

Next year's decline reflected a calculation among members, about a slowdown in economic growth, and with it, a pause in the power equipment industry sales growth. But after two years of declining shipments, in 1986 and 1987, members expect the entire market to improve through 1990.

Bolens Corp. assembled the material and presented the report to the OPEI. Member companies were asked in March to forecast economic indicators, industry shipments and other factors concerning the 1986 model year. A total of 23 companies responded, and the responses were averaged to determine the results.

For the first time, data on the commercial products segment of the industry were included. These separate numbers were determined from nine responding member companies.

OPEI members do not expect the economy to maintain the growth experienced in the last two years. This was reflected in the predictions for consumer outdoor power equipment. All six categories were predicted to have a shipment decrease.

Most decreases are expected to be moderate, but walk-behind snowthrowers and walk-behind tillers experienced serious declines.

For the long term, shipments will start increasing in the 1988 model year, members predict, and by 1990, shipments will surpass the decreases in 1986 and 1987.

Snowthrower gains melt

Walk-behind snowthrower shipments, which experienced a healthy gain in 1985, are expected to suffer a substantial decrease in 1986.

Shipments are expected to decrease from 380,000 in 1985 to 320,000 in 1986. This is a 15.7 percent decrease in the market, which is expected to grow by 23 percent this year.

The decrease is the biggest among the equipment categories and continues the erratic growth pattern for the market.

Also predicted to have a serious decline are walk-behind tillers. OPEI members predict a decrease of 23,000 shipments from this year to next, continuing a five-year decline.

Numerically, 392,000 shipments are expected in 1985, and 369,000 in 1986, a decrease of 5.8 percent. If the prediction materializes, tiller shipments will have decreased 26 percent in the past five years.

Garden tractors are predicted to drop a total of 16,000 units, or 9.5 percent. Projected shipments for 1985 are 167,000 and 151,000 for 1986.

But the 1985 prediction could be an aberration, and the 1986 drop would put tractors to levels they have been in the past five years. Shipments generally have been between 145,000 to 150,000 units.

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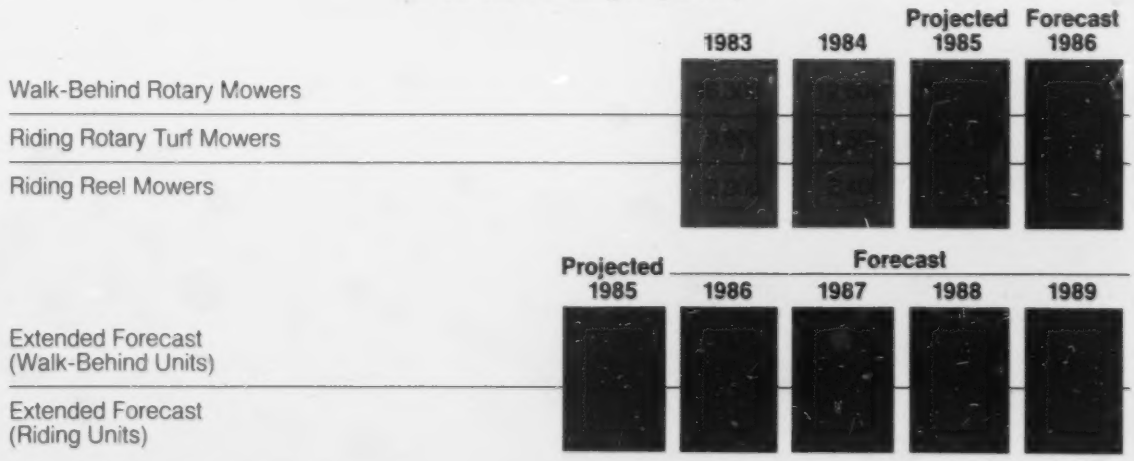
COMMERCIAL TURF CARE INDUSTRY SHIPMENTS

(Model Years Ending August 31)



Source: OPEI Survey 1985 Chart courtesy of Bolens Corp.

OPE shipments

...continued

Mowers at 5 million

Walk-behind rotary mowers are expected to continue to hover at the 5 million unit mark. Projected 1985 shipments are 5,125,000 with 1986 shipments projected at 4,990,000.

Numerically, this was the largest decrease among the product categories. But it amounted to only a 2.6 percent decrease.

Last year, OPEI predicted rotaries to have the largest numerical increase, returning to the 5 million mark. The market experienced a 19 percent drop in the market when shipments fell to 4.6 million in 1981, compared with 5.7 million in 1980.

Shipments stayed at 4.6 million units for the next three years, until last year's predicted return to 5 million.

Rear-engine riding mowers experienced one of the smallest losses in percentage and actual number. Shipments are predicted to decrease by 10,000, from 359,000 to 349,000, a drop of 2.7 percent.

This is the first drop in five years. Shipments have increased by at least a fraction of a percentage point every year since 1981, and the market increased by 22 percent in 1984.

Five-year outlook

OPEI predicts losses in shipments for two years in both walk-behind units and riding units, followed by steady growth through 1990.

For walk-behinds and tillers, shipments are expected to fall by 2.8 percent in 1986 and 1.1 percent in 1987. This is a loss of about 221,000 units, from 5,517,000 in 1985 to 5,296,000 in 1987.

After this slowdown, shipments will increase about 3 to 4 percent a year, OPEI predicts, with 1990 shipments expected to total 5,952,000.

Riding units are predicted to decrease more during 1986 and 1987, but its gains for the rest of the decade are also expected to be greater.

Shipments will fall by 4 percent in 1986 and by 1.2 percent in 1987. This translates into a projected numerical loss of 56,000 units, from 1,063,000 to 1,007,000.

Predicted growth through 1990 is expected to be at least 3.8 percent, with a gain of 6.5 percent expected in 1989. End-of-decade shipments are expected to total 1,186,000 units.

Commercial shipments

OPEI members expect a slight improvement in the commercial turf care market. The nine survey participants expect their shipment volume to be 60 to 65 percent of the total market.

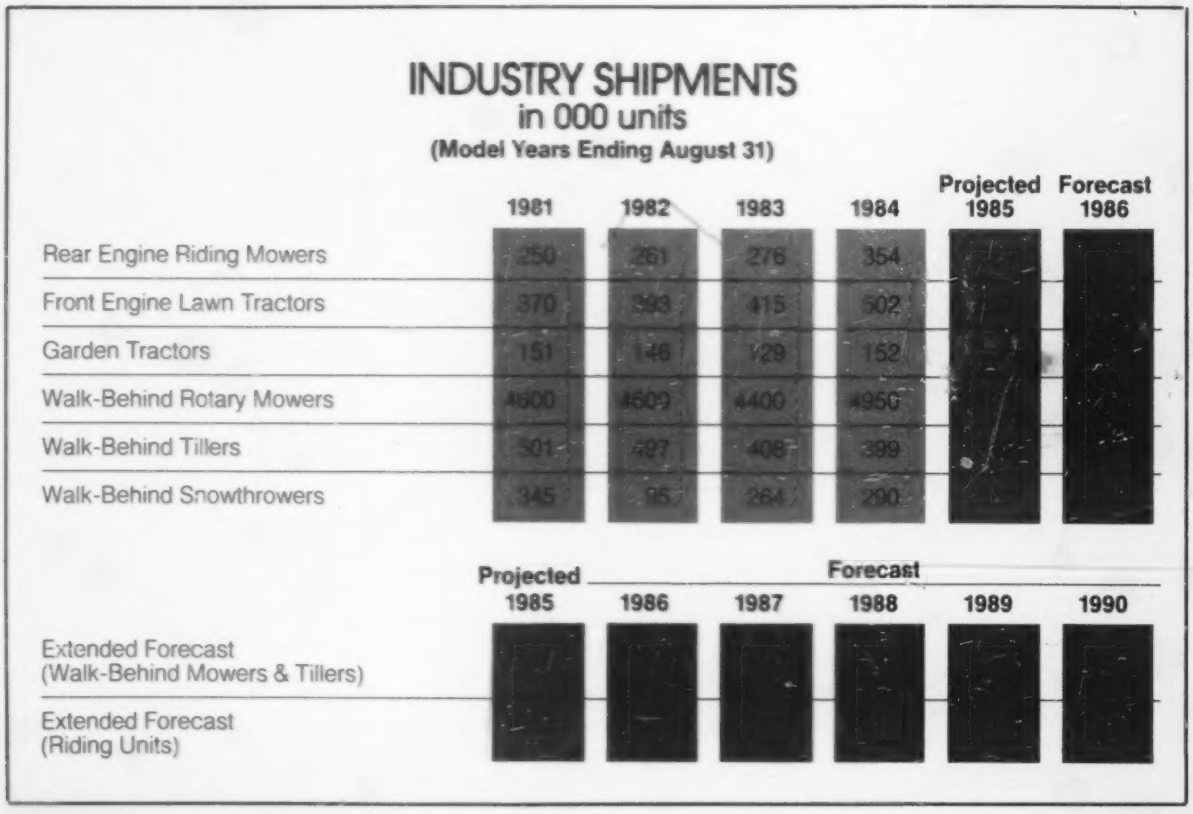
Walk-behind rotary mowers are expected to increase slightly. A 2,000-shipment increase predicted for 1986, from 120,000 units to 122,000 units, a 1.6 percent increase. This continues a steady, three-year growth.

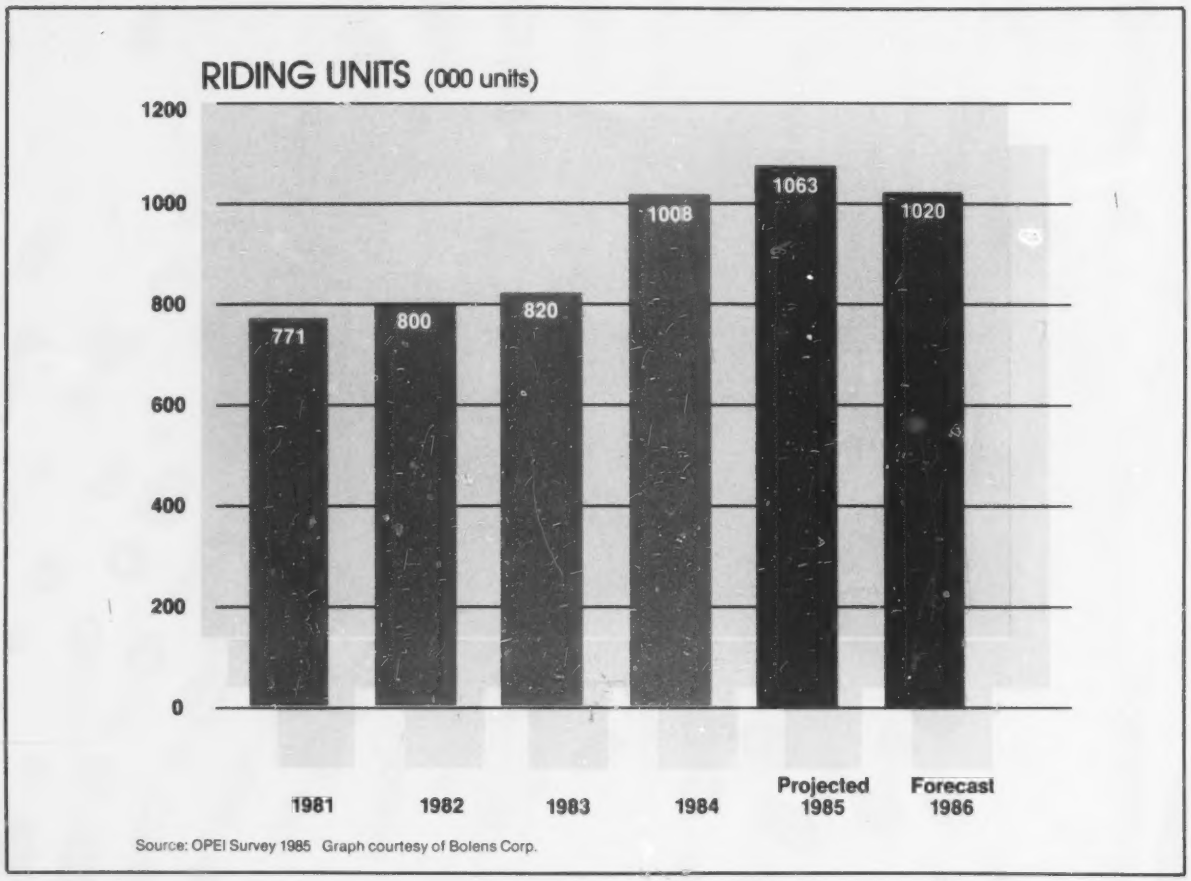
Riding rotary turf mowers will experience a slight decline of 100 units compared to 1985. This 0.8 percent loss represents a decline from 12,000 units shipped in 1985 to 11,900 in 1986.

Riding reel mowers are predicted to increase the most. A 5.5 percent increase, 250 units, is expected. The 1985 projected total is 3,300 units, with the 1986 total set at 3,550 units.

In both the walk-behind and rid-

continued...





Source: OPEI Survey 1985 Graph courtesy of Bolens Corp.

OPE shipments

...continued

ing categories, shipments are expected to increase each year through 1989. Walk-behind units are expected to increase from 1.6 percent to 4.6 percent a year, with expected shipments to reach 134,700 in 1989.

After a year of small growth (0.9 percent) in 1986, riding units are predicted to outpace walk-behinds. Shipments are expected to increase by at least 3.1 percent a year, with a 9.6 percent increase predicted in 1987. Shipments are expected to increase to 19,[illegible]0 by 1989.

Distribution unchanged

Channels of distribution are not expected to change significantly in 1986. According to the percentage of total shipments, the expected breakdown is as follows: retailer, 22.9 percent; wholesaler, 29.4 percent; merchandiser, 45.4 percent; and export, 2.3 percent.

The percentages changed very little from the 1985 projections: retailer, 22.2 percent; wholesaler, 30.3 percent; merchandiser, 45.4 percent; and export, 2.1 percent.

In the short term, according to OPEI, exports are not expected to regain the prominence they had in the early 1980s. □

OPE future linked to deficits, innovations

■An economic forecaster, speaking at the concluding session of the annual meeting of the Outdoor Power Equipment Institute, told this group of manufacturers that budget deficits of the U.S. government will come down to permit renewed growth of the consumer economy.

After taking some bold swipes at the defense budget and at the expenditures for Social Security and other entitlements, Marvin Cetron, president of Forecasting International, said that federal outlays for those two major budget items will be reduced because the public will demand it.

He described the defense budgets as being loaded with wasteful and unrealistic projects.

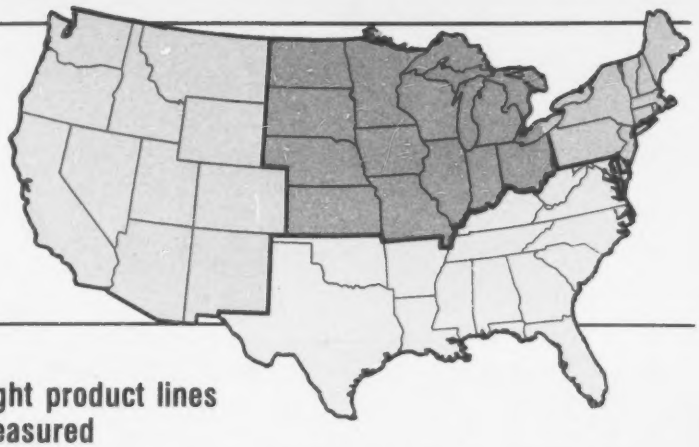
"There are only two places where the U.S. is going to balance its budget," he said. "One is anti-Democrat, and one is anti-Republican." Some of it (savings) will come from the defense budget; and some will come from the entitlement programs.

"We have a president with a cavalry mentality. He takes a battleship out of mothballs at a cost of a billion dollars. That battleship has an average life of 80 hours in case of all-out conflict—at a top speed of 33 knots. We would lose 2,070 men. We must be out of our minds.

"That's only one thing. I could talk about the Air Force, too. I worked for them for 20 years. Produce MXs and put them in dense packs? The last time we tried dense

continued...

Product Movement Report spring 1985



Of the eight product lines measured in the spring 1985 survey by **LGM,** seven showed improved sales compared to spring 1984.

Retailers continue to report significant increases in sales of replacement parts. Almost 67 percent of retailers responding to the survey reported increased sales of replacement parts, while only 5 percent reported sales were down. The response supports a trend that has been evident in recent periods.

Regionally, retailers in the Northeast reported a median increase of 23 percent, well above the national figure. North Central retailers reported an 11 percent median increase.

Northeast retailers reported median increases above the national figures for sales of lawn fertilizer, grass seed and packet seed. The only product line to show a national median increase which did not occur in the Northeast was riding mowers and lawn tractors. In that product line there was a 9 percent median increase nationally.

About 43 percent of retailers reported sales of garden tools were up, and only 6 percent said they were down.

Lawn fertilizer followed a similar pattern with 47 percent reporting better sales. Sales were down according to 16 percent. More retailers reported sales up than down in each region, but in the South the difference was slight. In the South, 36 percent indicated sales were up, and 32 percent indicated lower sales.

Grass seed and packet seed each showed sales increases. For grass seed, 42 percent of retailers said sales were up, and 9 percent said they were down. Almost 36 percent of retailers indicated packet seeds sales were up while 8 percent reported them down.

Walk-behind mowers also had significant percentages of retailers indicating better sales. Nationally, 37 percent said sales were up and 6 percent down. The trend appeared to be strongest in the North Central region where 40 percent responded that sales increased, and 3 percent said they declined.

For riding mowers and lawn tractors, 28 percent of retailers reported increased sales. Nationally, 7 percent said sales decreased. The Northeast and North Central regions continued to show the strongest sales with 24 percent in the Northeast and 37 percent in the North Central indicating improved sales. An insignificant number in the Northeast and 3 percent in the North Central reported decreased sales.

The only product category to show more retailers reporting decreased sales than increased sales was rotary tillers. Nationally, only 10 percent of retailers said sales were up compared with 18 percent who said sales were down.

The trend in declining tiller sales was seen in all four regions as well. In the Northeast 8 percent of retailers reported increased sales and 16 percent decreased sales. More than 11 percent of retailers in the North Central said sales were up but 17 percent reported them down. Retailers in the South responded that 14 percent showed increases while 23 percent showed decreases. Only 6.3 percent in the West said sales were up and 19 percent down. The tendency for sales of rotary tillers to be down has continued for several recent sales seasons.

Eight product lines measured

		TOTAL %	NORTHEAST %	N. CENTRAL %	SOUTH %	WEST %	
Garden tools	Up	42.5	52.0	44.4	28.0	45.0	↑
	Same	46.2	44.0	41.7	52.0	50.0	
	Down	5.6	4.0	5.7	12.0	.....	
Lawn fertilizer	Up	47.2	52.0	47.2	36.0	55.0	↑
	Same	30.2	36.0	36.1	24.0	20.0	
	Down	16.0	4.0	13.9	32.0	15.0	
Grass seed	Up	41.5	56.0	44.5	36.0	25.0	↑
	Same	39.6	28.0	38.8	44.0	50.0	
	Down	8.5	12.0	8.4	4.0	10.0	
Packet seed	Up	35.8	52.0	33.3	20.0	40.0	↑
	Same	39.7	28.0	50.0	40.0	35.0	
	Down	7.5	8.0	5.6	8.0	10.0	
Walk-behind mowers	Up	36.7	32.0	40.0	40.9	31.3	↑
	Same	39.9	52.0	42.8	27.3	31.3	
	Down	6.1	.....	2.9	13.6	12.4	
Riding mowers/ lawn tractors	Up	27.5	24.0	37.1	27.3	12.6	↑
	Same	17.3	32.0	14.3	9.1	12.4	
	Down	7.2	.....	2.9	13.6	18.8	
Rotary tillers	Up	10.2	8.0	11.4	13.8	6.3	↓
	Same	27.6	20.0	42.9	18.2	18.8	
	Down	18.3	16.0	17.1	22.8	18.8	
Replacement parts	Up	66.7	76.9	71.4	50.0	50.0	↑
	Same	28.2	23.1	21.5	33.3	50.0	
	Down	5.1	.....	7.1	16.7	.....	

Because of multiple responses, percentages do not add up to 100%

Eight product lines sold through four key classes of retailers were measured by **LGM** for this survey.

C47 35-2

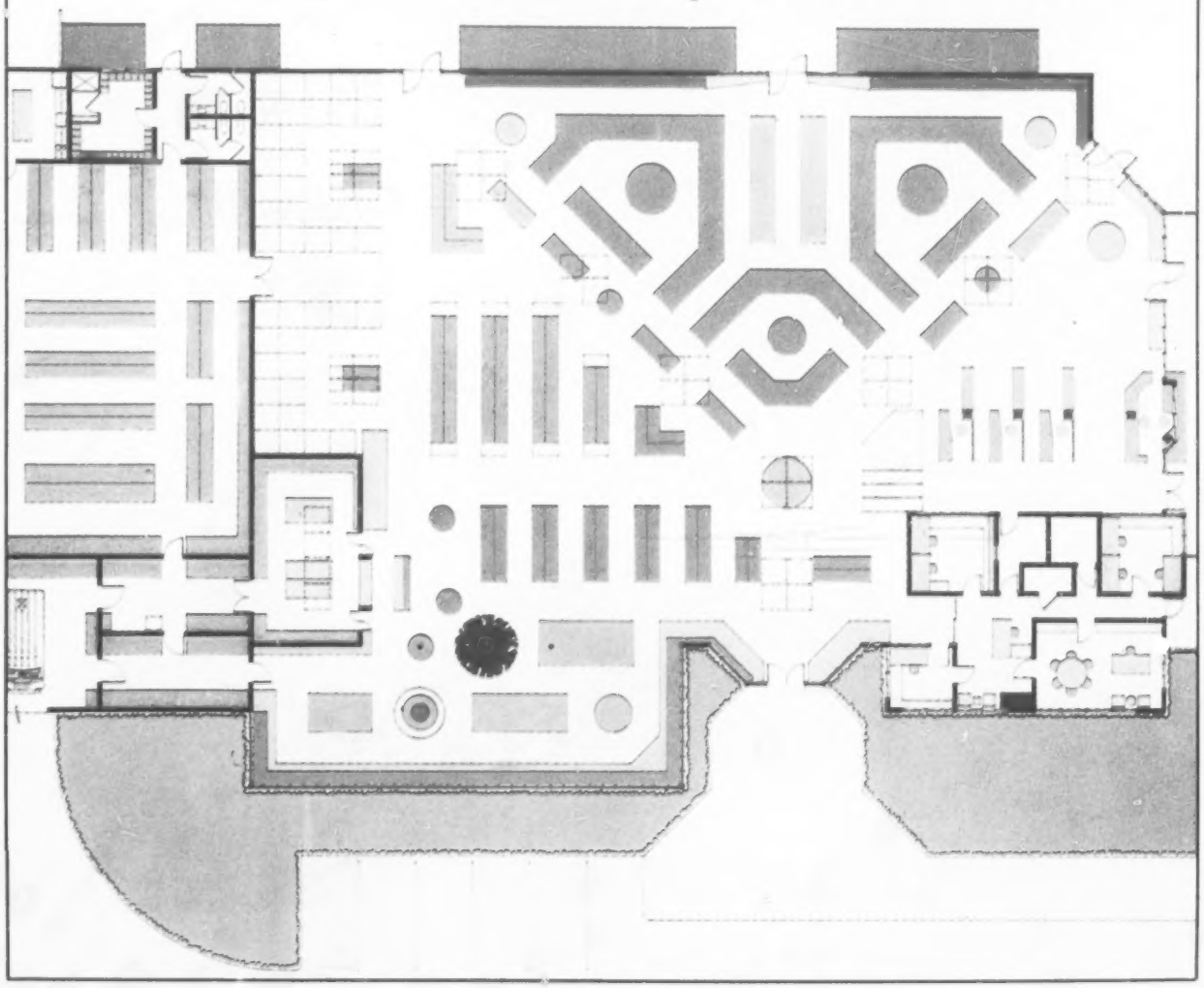
Lawn&Garden Marketing

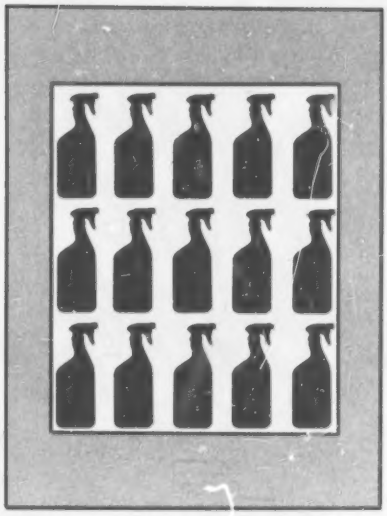
September 1985

Reports on: ABC s of Batteries

- ***Spring '86 merchandising***
- ***Louisville Expo scores again***

Designing garden centers for diverse product lines





8 **RTU chemical sales** will increase in '86, say 47 percent of retailers responding to an **LGM** spring merchandising survey.

48 **Outdoor demonstrations** at the '85 Expo provided a major lure for OPE buyers.

Cover art courtesy of Wertheim, van der Ploeg & Kiemeyer

SEPTEMBER 1985 VOL. 24, No. 8 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.

8 **Planning '86 merchandising strategies.** Results from an **LGM** survey of retailers indicate some aggressive advertising plans for the 1986 spring sales season; display space allotments and employee training programs are also revealed.

32 **Designing garden centers for diverse product lines.** Pointers from a landscape architectural firm show retailers some of the prerequisites for planning major garden center renovations or new construction. By Steve Trusty.

48 **Louisville Expo scores again.** Interviews with visitors and exhibitors portray the 1985 Expo as a success for the industry. A pictorial account highlights the show. By Glenn Hensley.

51 **How one OPE dealer viewed the Expo.** A St. Louis power equipment dealer compares the first two shows and their changes in size and focus.

60 **Berk awarded Golden Medallion.** Martin Berk, Deere & Co. engineer, receives OPEI's industry service award. (See Power Equipment Report.)

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Planning '86 merchandising strategies

Advertising in 1986 compared to 1985

	Multi-Dept. %	Garden Centers %	Hdw./ Home %	Power Equip. %
More in 1986	.....	36.2	20.8	15.8
About the same	100.0	59.6	64.1	71.0
Less	.....	2.1	5.7	13.2
Did not advertise in 1985	.....	2.1	9.4	.....
Used co-op advertising in 1985				
Yes	83.3	72.4	56.6	86.8
No	16.7	25.5	34.0	13.2
Did not advertise	.....	2.1	9.4	.....
Plan to use co-op Advertising in 1986				
Yes	83.3	76.5	71.7	86.8
No	16.7	19.2	28.3	13.2
Not given	.....	4.3	.....	.....

Source: LGM spring 1985 survey

1985 advertising dollars spent

	Multi-Dept. %	Garden Centers %	Hdw./ Home %	Power Equip. %
Less than $500	.....	10.6	24.5	10.5
$500 to $999	.....	8.5	22.7	26.3
$1,000 to $4,999	16.7	29.8	24.5	44.7
$5,000 to $14,999	83.3	34.1	7.6	13.2
$15,000 or more	.....	14.9	11.3	5.3
None	.....	2.1	9.4	.....
Median =	$11,250	$5,000	$960	$2,160
Percentage of total sales				
1%	16.7	12.8	9.4	13.2
2%	50.0	17.0	17.0	21.1
3% or 4%	16.7	25.5	24.5	18.3
5% to 9%	.....	19.2	18.9	21.1
10% or more	.....	10.6	18.9	10.5
Not given	16.6	12.8	1.9	15.8
Do not advertise	.....	2.1	9.4	.....
Median =	2.5	3.9	4.3	4.5

Source: LGM spring .985 survey

■Lawn and garden retailers, coming off a good sales season this year, are planning to beef up their advertising budgets in 1986. This intention to get into the lawn and garden business more intensely was reflected in a study just completed by **LGM.** The study showed that hardware/home centers especially would take more aggressive positions through advertising.

The same study showed, however, that the respondents to the survey would not be allotting significantly more space to respective lawn and garden categories. The data suggests then, that the retailers are planning to advertise more heavily to move the merchandise more quickly, following the trend to increase turns and increase cash flow.

From most indications, 1986 should be another good year for the lawn and garden industry. Individual store results will be greatly affected by the amount of planning undertaken now to prepare for next spring.

Advertising

Of the garden centers responding to the survey, 36.2 percent plan to spend more on advertising in 1986 than they did in 1985. Only 2.1 percent plan to spend less, and 2.1 percent did not advertise. The balance (59.6 percent) will spend about the same in advertising.

Ron Herndon, president of Des Moines Seed and Nursery in Des Moines, Iowa, is a garden center operator who plans to work with an increased advertising budget in 1986. In his case, he is keeping the percentage of sales the same, but, because 1985 sales were greater than expected, he will have more dollars for advertising.

Herndon opened a new store west of Des Moines in 1985. The combination of new store, its rural setting and increased budget with two locations, causes Herndon to look at a larger media mix for his advertising. He is using shoppers more. According to Herndon, direct mail

continued...

1986 advertising

% planning to feature tools and supplies in advertising

	Multi-Dept.	Garden Centers	Hdw. Home
Plants, seed, sod	83.3	85.1	43.4
Lawn chemicals	33.3	63.8	56.6
Garden hose, sprinklers	100.0	36.2	67.9
Tools	100.0	25.5	62.3
Pre-emergent fertilizers	50.0	53.2	4.5

Source: LGM spring 1985 survey

It appears that because of the heavy competition between GCs and MDs, careful attention should be given to the price advertised.

A less competitive market should allow GCs the opportunity to stress a full-service, complete lawn care concept.

It appears GCs are conceding the tool, garden hose and sprinkler market to the MDs and HHs. Special purchases and competitive pricing may be one way for GCs to maintain a full-service image.

Because fertilizers take up a lot of display space and are very price-sensitive, advertising the right price is particularly essential in this product category.

Merchandising

...continued

has generated good results.

Des Moines Seed and Nursery started putting out a quarterly newsletter this year. It worked with its own customer list and a purchased list. It now has nearly 6,000 names. By using a coupon in this mailer, it has been able to track results quite accurately, according to Herndon. These results have been very good.

Herndon tried some billboards this year with success. He does not use television because of the expense. He says these dollars will go much farther in the other media. Radio has also been good for him.

Of the hardware/home centers surveyed, 20.8 percent plan to increase their advertising budgets in 1986; 5.7 percent plan to spend less.

Kelly Masco of Chicago area's Gee Lumber says he will stick with his same basic formula for advertising in 1986. Since Gee Lumber has been building its lawn and garden department steadily over the past several years, growth this season was anticipated. Its advertising structure is geared to sustaining this steady growth. Masco says it is important that your plans are well thought out so that you use the suppliers' programs to enhance your overall advertising package.

Of the power equipment dealers responding to the survey, 15.8 percent plan to spend more on advertising next year, 71 percent plan to spend about the same, and 13.2 percent plan to spend less.

A Nebraska power equipment dealer who plans to work with the same percentage of sales for advertising is Omaha Lawn and Garden. Manager Jackie Flint says that because spring 1985 sales were up, she will have more dollars to spend in 1986.

She plans to stick primarily with the major area newspaper. Since she experienced more early interest and sales of riding mowers in 1985, her emphasis on riders will be placed earlier in the 1986 season.

All of the multi-department operations in the survey plan to spend about the same on advertising in 1986.

The survey shows that the median expenditure for garden centers was $5,000, while multi-department stores spent $11,250. But the advertising budget as a percentage of sales is probably more informative than dollars spent. The overall median was 3.8 percent of sales.

Power equipment dealers' median was highest at 4.5 percent. Hardware/home centers were next at 4.3 percent followed by garden centers at 3.9 percent. The multi-department stores spent only 2.5 percent of sales on advertising. But most of these, because of their size, have a larger total budget with which to work.

As far as co-op advertising is concerned, 72.4 percent of the garden centers used co-op dollars in 1985, and 76.5 plan to use co-op in 1986. Of the power equipment dealers, 86.8 percent used co-op money in 1985, and the same percentage plan to use it in 1986.

Only 56.6 percent of the hardware/home centers used co-op advertising in 1985, but 71.7 percent plan to use it in 1986. This indicates that this segment of the industry has decided that using co-op dollars is a good way to stretch the advertising budget.

Des Moines' Herndon is a great believer in using co-op dollars fully. "Not only is it a good way to stretch the advertising budget," he says, "but the suppliers' money can help keep my store's name in front of the public as well as promote the manufacturers' products."

Masco is another believer in using co-op dollars. He adds that frequently the size of his ads will depend on the co-op dollars available.

Bill Roach, president of Millard Small Engine, Omaha, Neb., cautions, "Use co-op dollars as long as they are productive." Stores need to analyze the reason for placing the ad, the manufacturers' restrictions or requirements, and what the net cost would be. It would not be productive to spend $100 of an ad budget to promote a $50 item that can only realistically sell two or three.

Planning must be stressed. When setting out the whole program for spring, which includes purchasing, display space and allocation, advertising and promotion, keep them all

continued...

in perspective. A large ad compaign requires an adequate supply of merchandise, and volume purchases require adequate display, advertising and promotion.

Charles McColough, president of The Planting Council (formerly The Fall Planting Council), recommends that stores lay out all promotional programs now. He advises, "add excitement to each season. Utilize the various tools and aids that are available to you." The Planting Council will have different themes and graphics available for each season of the year, beginning in the spring of 1986.

What are retailers planning to feature in their ads for 1986? The survey indicates that 70.1 percent of the total respondents will be featuring tools and supplies in their 1986 advertising. The breakdown of product categories to be featured is as follows: plants, seed and sod 47.2 percent; lawn chemicals 43.8 percent; garden hose and sprinklers 41.0 percent; tools 37.5 percent; and pre-emergent fertilizers 35.4 percent.

It is interesting to note that only 33.3 percent of the multi-department stores plan to feature lawn chemicals, while all of these outlets will be advertising tools, garden hose and sprinklers. This provides a less competitive market for the full service garden centers to stress the complete lawn care concept in their advertising.

Knowing that 83.3 percent of the multi-department stores plan to put emphasis on plants, seed and sod, almost identical to the garden centers' 85.1 percent, should encourage all dealers to make especially careful plans for this segment of their advertising.

If advertising a price, it must be competitive. If not competing price-wise, retailers will need to offer other incentives to the consumer to shop their stores, such as stressing knowledgeable salespeople, planting services, design services, wider selection and other related extras.

An example of an additional service retailers might offer was provided by Herndon. He has made arrangements with a local carpenter to install decks and wood fences. Herndon doesn't have to hire a full-time person experienced in building, but he can offer more complete exterior landscaping to his customers.

Herndon says hot tubs are another natural extension of products and services. "Spas are something else for the homeowner to landscape around," says Herndon.

It appears from the figures that the garden centers are conceding the tool and garden hose and sprinkler market to the multi-department and hardware/home centers. Retailers, who are full-service garden centers and desire to maintain that full service image, should plan to make some special purchases of products in those categories and feature them in ads.

For those carrying power equipment, it is helpful to know what products will be featured and by whom. More than 51 percent of the

continued...

Power equipment in 1986 advertising

% who plan to feature walk-behinds

(one walk-behind equals 10%)

Source: LGM spring 1985 survey

Products to feature in 1986 ads

	Multi-Dept. %	Garden Centers %	Hdw./ Home %	Power Equip. %
Power equipment	66.7	12.8	52.8	94.7
Walk-behind mowers	66.7	10.6	49.1	84.2
Riders, lawn tractors	16.7	2.1	20.8	79.0
Tune-up accessories, spark plugs, etc.	16.7	2.1	18.9	21.1
Tractor attachments and accessories	.....	.....	1.9	21.1
Tools and supplies	100.0	95.7	86.8	10.5
Plants, seed and sod	83.3	85.1	43.4	.....
Lawn chemicals	33.3	63.8	56.6	2.6
Garden hose and sprinklers	100.0	36.2	67.9	.....
Tools	100.0	25.5	62.3	7.9
Pre-emergent fertilizers	50.0	53.2	41.5	2.6
None	.....	4.3	9.4	5.3

Source: LGM spring 1985 survey

...continued

total respondents will be advertising power equipment. Walk-behind mowers will be featured by 66.7 percent of the multi-department stores, but by only 10.6 percent of the garden centers, 49.1 percent of the hardware/home centers and 84.2 percent of the power equipment dealers.

The only category from which a significant number of respondents plan to feature riders and lawn tractors is the power equipment dealers. Seventy-nine percent of these stores will be running ads featuring these high ticket items.

Space

The survey indicates that no significant indoor or outdoor floor space additions will be made in the lawn and garden area for 1986. In order to justify additional advertising expenditures with no additional floor space, the dealer must increase his inventory turns. Only careful buying and allocation of space will allow those increased turns.

Allocation of space involves the determination of how much space is used for displaying various categories of merchandise. In order to display more of one item, display less of something else.

The survey didn't indicate what items would receive less space, but several items appear to be warranting more space with dealers. More than 27 percent of the total respondents plan to give more space to power equipment, with 20.1 percent giving that space to walk-behind mowers and 14.6 percent giving more space to riders and lawn tractors.

Half of the power equipment dealers plan to give more space to power equipment. None of the multi-department stores plan on allocating more space to power equipment. Only 16.6 percent plan to show more plants, seed or sod, and 16.7 percent plan to give more area to garden hose and sprinklers.

Few (12.8 percent) of the garden centers plan to give more space to power equipment. About 49 percent plan on more displays of plants, seed and sod; 23.4 percent plan additional space for lawn chemicals. Only 34 percent of the garden center operators plan no change in space allocation; half of the multi-department stores plan no change.

Rik Mumma, president of California's Roger's Gardens reports that color baskets and pots are still very big items, but they are seeing a switch from the higher-priced (over $50) to the lower-priced units ($10 to $30). The sales of the higher-priced pieces have not kept pace with the lower-priced ones, according to Mumma.

Roach recommends that retailers carefully scrutinize all past results, plus programs and trends, when allocating floor space. It is also important to attempt to analyze why something did, or did not, happen, says Roach.

In planning, watching trends is important, but, as Bill Hackett, sales manager for the Farnam Company, cautions, "remember those who are countertrend." A swing in the trend line doesn't mean that everyone is changing. Hackett says that it is important to keep an eye on as broad a picture as possible.

Much has been written about the increased interest in ready-to-use products. There has been a real proliferation of sizes and products in RTU according to Vic Foster, president of Foster's Inc., a Waterloo, Iowa, distributor. Foster says that these products are not cutting into the sales of concentrates, but they are expanding the market.

More than 47 percent of the total respondents project an increase in sales of RTU products for 1986; 28.5 percent say there will be an increase in sales of concentrated chemicals. People who would not take the time or equipment to mix chemicals are buying RTU products. Making room for new categories, such as this, requires adjustments in floor space, display and advertising.

Some of the other products projected for increased sales in 1986 by a majority of the garden centers are: granular fertilizers (projected by

continued on page 81...

RTU Chemicals

% of retailers projecting increases in 1986 sales

(one bottle equals 10%)

Source: LGM spring 1985 survey

Display space

Median square feet allocated to display of lawn and garden products during 1985 and projected 1986 allocations

	Garden centers	Hdw./home	Power equip.
1985 indoor	3,200	770	710
1986 indoor	3,220	790	730
1985 outdoor	12,500	585	750
1986 outdoor	9,400	500	500

Source: LGM spring 1985 survey

Merchandising

...continued from page 26

63.8 percent), vegetable gardening seeds and plants (63.8 percent), potting media (68.1 percent) and ornamental seeds and plants (66.0 percent).

Garden tools were picked by 83.3 percent of the multi-department stores to show increased sales in 1986. More than 71 percent of the hardware/home centers projected an increase in garden tools, while only 21.3 percent of the garden centers felt this segment of the market would increase for them.

Nearly 58 percent of the power equipment dealers picked rear-bagger mowers on the plus side. Multi-department stores picked side-discharge mowers and rear-baggers to increase in equal numbers (50 percent). Only 36.8 percent of the power equipment dealers selected side-discharge mowers for increased sales. The primary reason for these projections may be that side-discharge mowers are usually less expensive and are more promoted by the chains, whereas the more expensive rear-baggers are the mainstay of the power equipment dealer's business.

Des Moines' Herndon says that the full-service garden center has a definite opportunity when allocating display space. Herndon recommends that this retailer devote as much space as possible to the specialty items that the multi-department stores don't carry. "Let the consumer know you have more to offer," says Herndon.

Personnel training for spring 1986

	Multi-Dept. %	Garden Centers %	Hdw./ Home %	Power Equip. %
Percent planning training programs	50.0	68.1	54.7	57.9
In product knowledge	33.3	61.7	52.8	50.0
In selling	33.3	55.3	28.3	31.6

Source: LGM spring 1985 survey

Employee training

Another important aspect of planning for spring is personnel training. What are your peers planning for 1986? Nearly 60 percent the respondents plan a program on product knowledge and 38.2 percent on selling. Some of those responding plan programs in both areas.

As far as product knowledge is concerned, only 33.3 percent of the multi-department stores plan programs, while 61.7 percent of the garden centers will upgrade their personnel through product knowledge training sessions. Only 28.3 percent of the hardware/home centers plan programs on selling,

continued on page 83...

We are number one!
year 'round plant protector
Protects against plant damage due to
5 GAL
30 GAL
55 GAL
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P.O. Box 4280 • Greenwich, Connecticut 06830-0280 • (203) 531-4740
Circle (52) on Reply Card

...continued from page 81

while 55.3 percent of the garden centers plan to improve their employees' selling skills.

Flint is one of the dealers who feels training is very important. She primarily uses factory-sponsored schools to keep employees, and herself, on top of the latest information.

Masco uses Gee Lumber's own personnel and suppliers' assistance to provide personnel training. He plans to provide additional training for 1986.

Herndon says that employee training is extremely important in building up his company's image. How an employee meets and greets the customer in most cases determines how that customer feels about his shopping experience. Herndon says that a store that doesn't have an employee training program has a definite weakness in its overall plan.

HMC Corporation, the maker of the Green Machine, feels so strongly about employee training that it outfitted a large van which was taken to 66 cities in 1985. This van carried the equipment and supplies needed to put on full-day training sessions for dealers selling the Green Machine. Product knowledge was covered, along with advertising, merchandising and general selling techniques that would apply to a wide variety of situations.

Kathryn Takis, HMC's advertising manager, reports that a distributor survey gave the road show the second highest ranking of all manufacturer-provided programs. Consequently, HMC plans to continue and expand its dealer employee training program for 1986.

The **LGM** study shows that more manufacturers and distributors are becoming actively involved in helping train the front-line employee. And this combined with careful allotments of retail space and advertising dollars can favorably influence 1986 sales. McColough's advice to retailers is simple. "Get out your planning calendar," he says, "and *plan, plan, plan.*" □

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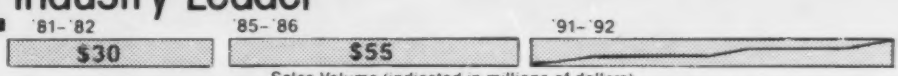

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